

# ANNUAL REPORT 2023

For the year ending 31 December 2023

AKORA Resources Limited

ACN: 139 847 555

ASX: AKO

akoravy.com

## Cleaner iron ore for greener steel.



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ASX Information

## **AKORA is developing a high-grade Direct Shipping Ore (DSO) iron ore mine in Madagascar.**

The project will be further developed to serve the steel industry's accelerating focus on reducing carbon dioxide (greenhouse gas) emissions through decarbonisation and the production of "Green Steel". Our high grade, low impurity iron ore upgrades to a +68% iron (Fe) concentrate at a 75 microns particle size making it ideal for green steel processes without burning coal.

## **Corporate Directory**

### **Directors**

Mike Stirzaker – Non-Executive Chairman  
(Resigned 1 February 2024)

Graeme Hunt – Non-Executive Chairman  
(Appointed 1 February 2024)

Paul Bibby – Managing Director

Matthew Gill – Non-Executive Director  
(Appointed 2 August 2023)

### **Company Secretary**

John Madden  
(Resigned 19 February 2024)

Shane Turner  
(Appointed 19 December 2023)

### **Head Office and Registered Office**

12 Anderson Street West, Ballarat  
Victoria, Australia 3350

PO Box 28 Ballarat  
Victoria, Australia 3353

Phone +61 (0) 419 449 833

### **Website**

[www.akoravy.com](http://www.akoravy.com)

### **Share Registry**

Link Market Services  
Tower 4, 727 Collins Street  
Melbourne Victoria Australia 6000  
Phone 1300 554 474

### **Stock Exchange Listing**

Australian Securities Exchange Limited  
ASX Code: AKO

### **Australian Company Number**

139 847 555

### **Solicitor**

CBW Partners  
Level 1, 159 Dorcas Street  
South Melbourne Victoria 3205

### **Corporate Advisors**

Harbury Advisors Pty Ltd  
Level 5, 157 Collins Street  
Melbourne Victoria 3000

PAC Partners Securities Pty Ltd  
Level 29, 360 Collins Street  
Melbourne Victoria Australia

### **Auditor**

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Rd  
Subiaco Western Australia, 6008  
ABN 33 121 222 802  
[hallchadwick.com.au](http://hallchadwick.com.au)

## Chairman's and Managing Director's Letter

Dear Shareholders,

**2023 confirmed the growing significance of our high-grade Bekisopa Project as an iron ore resource with both direct ship ore (DSO) potential and a future delivering clean very high-grade direct reduction iron ore (DRI) concentrate into a decarbonising green steel future.**

Near surface bulk sample assay results showed lump and fines ore at +64% iron which correlates well with weathered zone drill assays along Bekisopa's 6-kilometre strike length. The Bekisopa Southern Zone DSO infill drilling assays delivered a 5.5 million tonnes (Mt) of Indicated and Inferred DSO JORC resource with 4.4Mt in the Indicated category grading 61% iron. This DSO resource formed the basis of the updated Scoping Study.

The updated Scoping Study was released in November and was well received by shareholders and brought AKORA to the attention of potential strategic investors. The low capital entry case at US\$55M is seen as a practical approach to generate healthy cash flows and build the production and logistics pathway for Bekisopa. Production is planned to ramp up to deliver 2Mtpa of lump and fines product that Wardell Armstrong International consultants confirms is economically viable, generating a pre-tax cash flow of US\$270M over an initial 5 year mine life, resulting in a US\$125 million NPV<sub>(10%)</sub> and a 64% IRR.

The AKORA Board sees this low capital case as a practical pathway into production, as it assists to mitigate project delivery risk, enables investment to improve the production and logistics processes, and enables arising cash flow to progress production of the premium quality DRI concentrate. As a result, the Board supported moving directly into a Pre-Feasibility Study (PFS) for Bekisopa.

The Company's fourth drilling campaign was conducted between July and October with 65 holes on a 50m-by-50m grid completed in the North and Central Zones at Bekisopa. The information obtained is expected to add further DSO production years to the PFS.

Beneath the DSO weathered zone is a significant high grade fresh magnetite rock resource which in the Southern Zone averages 45% iron. This is a prospective start-up area for the production of a high grade +68% iron clean low impurity concentrate for DRI pellets – a very attractive feed for “Green Steel” production.

AKORA completed a ground magnetic survey at the nearby larger Satrokala tenement prospect in October 2023. This geophysical survey covered a ten kilometres strike length of identified iron mineralisation where previous rock chips samples graded 64% iron were obtained. Further exploratory drilling will determine the extent of further iron mineralisation potential along a strike length 60% greater than known at Bekisopa.

In late 2023 a revised Mining Code, was passed by both Houses of the Madagascan Parliament, together with a commitment to processing tenement renewals. Further progress should occur there once the Implementation Plans are finalised in 2024.

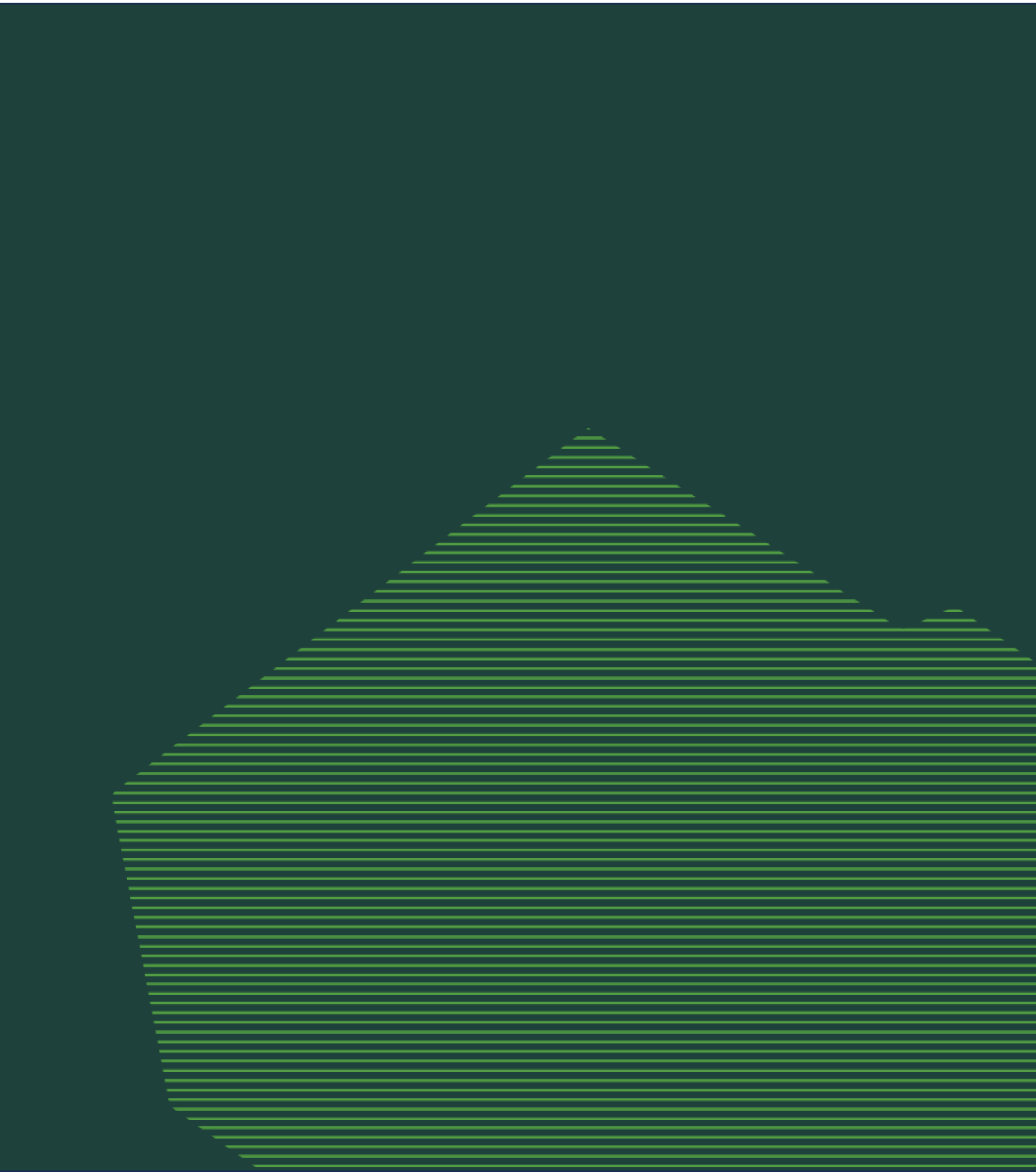
The Company welcomed Matt Gill onto the AKORA Board in August 2023, a mining engineer with considerable operations and mining project development experience. Founding Director John Madden retired from the Board and then stepped down as CFO and Company Secretary at years end. John's experience and resolve ensured AKORA is in excellent shape with a strong future. Graeme Hunt, a former President of BHP iron ore, was appointed Chairman on 1 February 2024 following on from AKORA's inaugural Chairman Mike Stirzaker.

Thank you for your continued support.

**Graeme Hunt**  
**Non-Executive Chairman**

**Paul Bibby**  
**Managing Director**

# Review of Operations



# Bekisopa Iron Ore Project

Ownership 100% | Madagascar

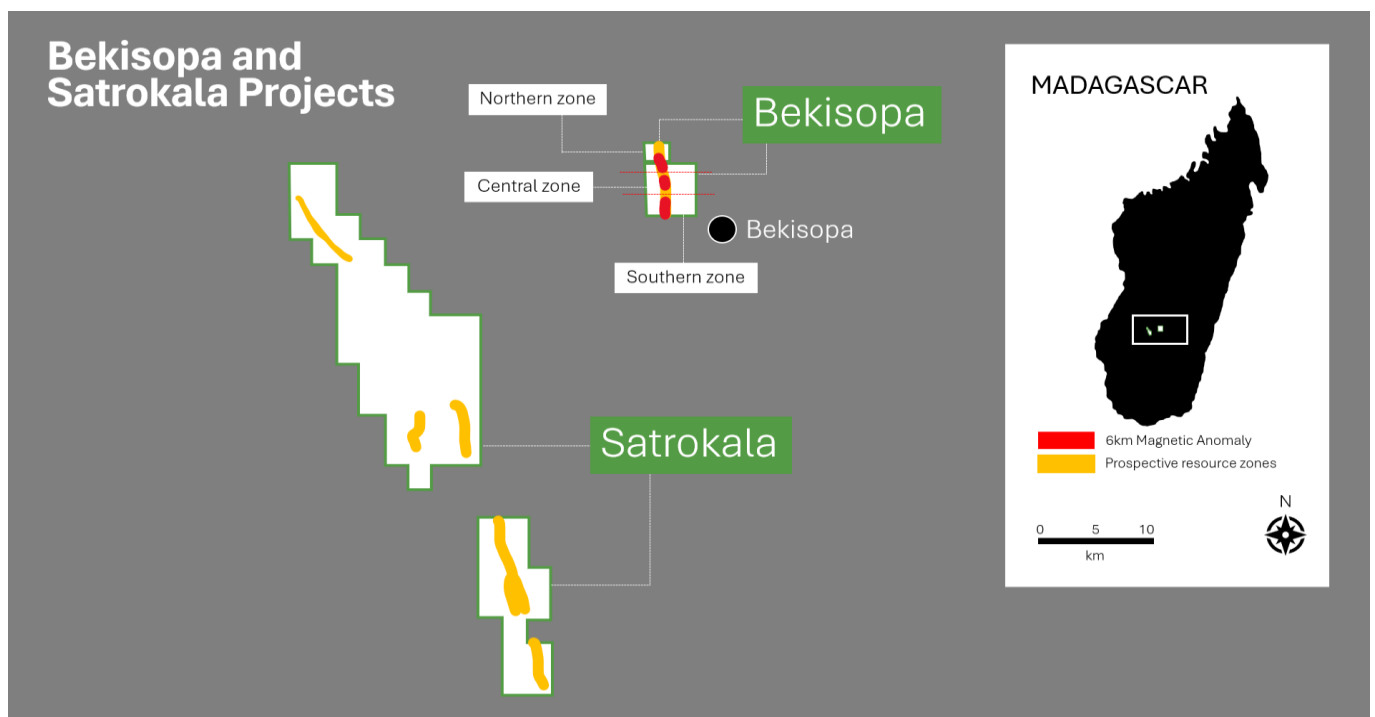
The Company's flagship Bekisopa Iron Ore Project in central Madagascar has a 194.7 million tonne (Mt) Inferred JORC Resource with very low impurities, and able to produce a premium-priced +68% Fe concentrate. Direct Reduced Iron-Electric Arc Furnace (DRI-EAF) technology which is used to make green steel without burning coal and considerably lower carbon emissions requires iron ore grades of at least 67%.

It is anticipated that Stage 1 of this Project's development is the initial production of high-grade Lump and Fines direct shipping ore ("DSO") – this stage being the subject of the positive Scoping Study released in November 2023.

## Project Overview

The significant scale and particular mineralisation characteristics of Bekisopa's iron ore resource presents the Company with several staged development options over time:

1. *Produce a 61% Fe average grade Direct Shipping Ore (DSO):* Mine, crush and screen iron ore to produce a 61% Fe average grade lump and fines product for shipping to Blast Furnace-Basic Oxygen Furnace (BF-BOF) steelmakers.
2. *Produce a +62% Fe grade DSO fines:* Mine, crush and screen ore to produce a +62% Fe grade fines product for shipping to BF-BOF steelmakers.
3. *Produce a premium-priced +68% Fe grade concentrate:* Using cash generated from Stages 1 and/or 2, add grinding and magnetic separation circuits to upgrade the ore to a +68% Fe concentrate at 75 microns for shipping to DRI-EAF steelmakers, where the use of coal is substituted for electricity and so making steel with significant reductions in carbon emissions – what has been termed "green steel".



**Figure 1.** Bekisopa Iron Ore Project location with northern, central and southern zones delineated. The Satrokala Project is located around 20km to the south-west of Bekisopa.

| Bekisopa Scoping Study.<br>Low CAPEX Case highlights. |                             | Robust DSO start-up<br>financials. | Drilling should add DSO<br>tonnes and mine life. |
|-------------------------------------------------------|-----------------------------|------------------------------------|--------------------------------------------------|
| Annual production                                     | Initial mine life           | Revenue                            | Free cash flow                                   |
| <b>2Mt</b>                                            | <b>5 years</b>              | <b>US\$545m</b>                    | <b>US\$270m</b>                                  |
| Capital cost                                          | NPV <sub>10</sub> (pre-tax) | IRR (pre-tax)                      | Capital payback                                  |
| <b>US\$55.3m</b>                                      | <b>\$US125m</b>             | <b>64%</b>                         | <b>2.1 years</b>                                 |
| C1 cash cost (FOB)                                    | C1 margin per tonne         |                                    |                                                  |
| <b>US\$42/wmt</b>                                     | <b>125%</b>                 |                                    |                                                  |

**Figure 2.** Low CAPEX Case highlights taken from the Bekisopa Scoping Study (November 2023).

In Bekisopa's southern zone, 4.4Mt of Indicated DSO tonnes have been defined according to JORC standards within the overall total project resource of 194.7Mt.

Released in late 2023, an updated Scoping Study prepared by Wardell Armstrong International (WAI) focused on a Low CAPEX option on this DSO resource and presented two scenarios for comparison:

1. A minimum capital '**Low CAPEX Case**' DSO open pit mining operation which contemplates using contractor labour, contractor mining equipment (trucks and loaders) and mobile processing equipment (crushing, screen and conveying) suitable for processing the iron ore into a 61% Fe average grade lump and fines product. Contractors would also be used for truck hauling the products to a stockpiling location and for ship loading.
2. A DSO open pit "**Low OPEX Case**" mining operation which contemplates using contract mining fleet and labour and AKORA labour, as well as fixed equipment (crushing, screening and conveying) suitable for processing the iron ore into a 61% Fe average grade lump and fines product. AKORA would also own and operate the on-road truck hauling fleet and to develop, own and operate a dedicated port facility with ship loading infrastructure.

For both the Low CAPEX and Low OPEX cases examined in the Scoping Study, the production schedule ramps up from 0.5 million tonnes per annum (Mtpa) to 2Mtpa over the initial five years of mine life.

This ramp-up profile is to ensure that management and employees are progressively and appropriately trained to reliably mine and process product of consistent quality, safely drive haul trucks, and manage capital, project delivery and operational scale-up risks.

In the 'Low CAPEX Case' open pit mining operation, the Study found that Bekisopa could deliver an estimated initial five-year Mine Life with revenues of US\$545 million for a C1 operating cost of US\$45 per wet metric tonne (wmt) weighted average over the initial five years (US\$42/wmt at full production rate).

This case would generate a pre-tax operating cash flow of US\$270 million and an IRR of 64%. The upfront capital cost was estimated to be US\$55.3 million.

A DSO lump and fines start-up operation using at-surface, weathered iron mineralisation would need much less time, resources and capital to deliver saleable product to market. Positive cash flows could be generated more quickly to repay the initial capital expenditure, fund further drilling and resource development, and processing improvements to produce higher grade higher priced, products.

### Significant resource growth potential

Notably, the Scoping Study did not include any upside potential DSO tonnes from the remaining 80% of the under-drilled Bekisopa mineralised strike length, or the Company's nearby and larger Satrokala Project where around 30km of prospective strike length of iron ore mineralisation exists. Exploration success at either Satrokala or Bekisopa, where only 20% of the 6km strike length of identified mineralisation has been shallow drilled for inclusion in this Study, would significantly add to this initial five-year DSO Start-Up Plan and result in significantly improved Study financial outcomes.

In 2022, a rock chip program on the Satrokala tenements, produced encouraging assay results. 102 rock chips showed an average of 58.8% Fe and a subset of 66 rock chips had an average grade of 64.5% Fe after excluding rocks at less than 58% Fe.

### Pre-feasibility Study to start for Direct Shipping High-Grade Iron Ore

In December, AKORA announced it had advanced plans to develop the Bekisopa DSO startup project by starting a Pre-Feasibility Study (PFS) for the project, including building the team to complete these projects.

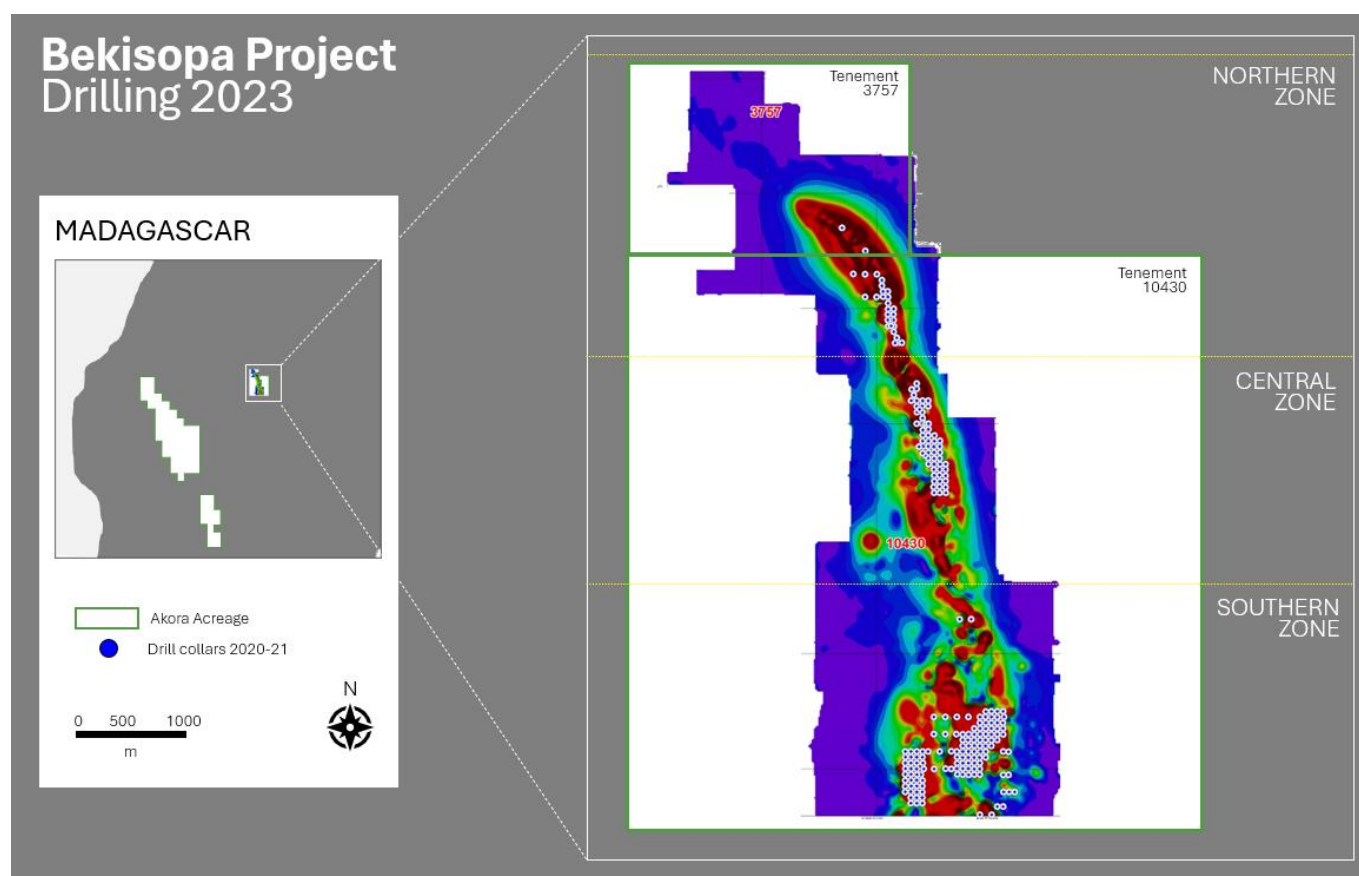
To be conducted by WAI, the PFS will focus on the best operational and financial combination from the "low CAPEX" and "Low OPEX" options. The first modules of work will focus on defining the port options and delivering an updated Mineral Resource Estimate which will include the recent 2023 infill DSO drilling across Bekisopa's northern and central zones.

### 2023 infill drilling campaign completed

The Company reported significant iron mineralisation intercepts at Bekisopa after completing a fourth drilling campaign of 904.9m across 65 holes in August 2023. Drilling on a 50m-by-50m grid across the project's northern and central zones, iron ore mineralisation intercepts averaged around 18.0m in the north, and 9.2m in the central tenement.

Nine additional shallow drill holes were included below outcropping iron ore rock formations in the southern zone in an area to the east of the 2022 drilling campaign to test for a possible mineralisation extension in that area.

All geological field logging has now been completed, and the iron ore mineralisation interval samples were delivered to the OMNIS Laboratory in Antananarivo for preparation into assay pulps. The assay pulps were then delivered to the ALS Iron Ore Technical Centre in Perth in three batches starting in December. The expectation is that all the assay results and an updated Mineral Resource Estimate will be reported during the first half 2024.



**Figure 3.** Bekisopa infill drill locations 2023 which targeted a 6km strike zone of major magnetic anomalies.

### Direct Shipping Ore (DSO) Resource Upgrade

In July, AKORA announced it had increased Bekisopa's total DSO resource (Inferred and Indicated) to 9.1Mt (which excludes the high-grade outcrop) after all of the 2022 infill drilling assay results, and the previous 2020 and 2021 drilling results, were provided to WAI.

5.5Mt DSO tonnes (Inferred and Indicated) at 60.3% Fe were added along Bekisopa's 6km strike in the project's southern zone, representing a 34% increase. As mentioned earlier in this report, within this resource is a 4.4Mt Indicated DSO Resource grading 60.9% Fe.

Bekisopa has an overall Inferred Resource of 194.7Mt and which has the potential to produce a 67.6% concentrate grade at 75 micron grind size. Within this resource, the Company has now defined a 34Mt high-grade, "Green Steel" Inferred Resource in the project's southern zone which grades 45.3% Fe (58% Davis Tube Recovery) and could deliver 21.1Mt of 68.7% Fe concentrate at 75 microns.

This "Green Steel Resource" can be readily mined from an optimised open pit shell after selectively mining the DSO during a start-up first phase operation. Only 1.7 mined tonnes would be required to produce 1 tonne of 68.7% Fe concentrate, compared to 2.6 mined tonnes previously expected. This offers significant opportunities to lower capital and operating costs, during the "Green Steel" second phase.

## Bekisopa Iron Ore Project

### Inferred Resource

**194Mt**

Average head grade 32% Fe

Producing a

**67.6%**

concentrate grade  
at 75 micron grind size

### “Green Steel” Inferred Resource

**34Mt**

Average head grade 45.3% Fe

Producing a

**68.7%**

concentrate grade  
at 75 micron grind size

### Direct Shipping Ore Indicated Resource (Southern Zone)

**4.42Mt**

Average head grade 61% Fe

**Figure 4.** Bekisopa has an overall Inferred Resource of 194.7Mt which has the potential to produce a 67.6% concentrate grade at 75 micron grind size.

## Community consultation

AKORA Managing Director Mr Paul Bibby and Director Mr Matt Gill visited Bekisopa to host community meetings at the Tanamarina and Bekisopa villages in late 2023. Early feedback was supportive and encouraging.

Following a request from the local Tanamarina medical facility, AKORA provided a selection of medical supplies to ensure better medical outcomes for the local village communities. As the new school year commenced in September, AKORA provided educational supplies, as requested by the teacher, for the teacher and the students. Providing these items was very well received by the local community and continues to build on the good relationship between the company and the various local village communities.

On returning to Antananarivo, the capital of Madagascar, positive meetings were held with the Mining Ministry, engineering firms and associates.



**Figure 5.** AKORA provided medical supplies to the local Tanamarina medical facility.

An environmental and community survey was also performed across the Bekisopa tenement area to establish a reference point for future studies.

A weather monitoring station has been installed in the local Tanamarina village around 25km from the Bekisopa tenements to continuously capture temperature, wind and rainfall data over the next 12 plus months for incorporation into the PFS.



**Figure 6.** Weather monitoring station with the local village's fresh water installation in the background

## Satrokala Project

Ownership 100% | Madagascar

**Our 100% owned Satrokala Project is located just 40km to the south-west of our flagship Bekisopa Project and offers considerable upside advantage to our development of the area.**

### Magnetic Survey

A magnetic survey was conducted at Satrokala during the reporting period using the same equipment and approach as employed at Bekisopa in October 2019. Three magnetometer units were used and a team of seven geologists walked a section of the tenements under the supervision of Planetary Geophysics, Australia. The survey data is now being assessed in Australia.

The survey covered just 10km of the potential 30km of prospective iron mineralisation strike length previously identified at the project. The target area was traversed on foot in 25m or 50m lines and in total traversing over ~610km. The results are due early 2024 and will assist in pinpointing exploratory drillholes for a maiden drilling program proposed in Q2 2024.



**Figure 7.** AKORA geologist team preparing for the Satrokala magnetic survey and walking across the tenements and the rich red iron ground.

## Corporate

### Capital raising

On 1 May 2023, the Company advised shareholders that it had undertaken a Share Placement that raised \$793,000 through the issue of 4,956,250 fully paid ordinary shares at 16 cents per ordinary share with 2,478,125 accompanying free-attaching options over ordinary shares at an exercise price of 25 cents and expiry date being 25 May 2026.

The Company simultaneously announced an Entitlement and Shortfall Offer which closed on the 25 May 2023. Under the Entitlement and Shortfall Offer the Company issued 14,442,197 fully paid ordinary shares at 16 cents per fully paid ordinary share with proceeds of \$2,310,751. Under the Entitlement and Shortfall Offer, the Company issued 7,221,088 free-attaching options over ordinary shares at an exercise price of 25 cents and expiry date being 25 May 2026.

The Company also announced on 25 May 2023, a Share Placement which raised \$475,182 through the placement of 3,394,157 fully paid ordinary shares at 14 cents per fully paid ordinary share.

In total, the Company raised \$3,578,933 and issued 22,792,604 fully paid ordinary shares and 9,699,213 options over ordinary shares at an exercise price of 25 cents per option over ordinary shares with an expiry date of 25 May 2023.

### New Mining Code

During the reporting period, the Company announced (see ASX Announcement, dated 4 April 2023) that the Council of Ministers had approved a new Mining Code and on 9 June 2023 the new Mining Code was approved by the Malagasy Legislature. Following a review for Constitutional and Legal implications of the Mining Code, the President of Madagascar declared the Mining Code approved on 27 July 2023.

The replacement Mining Code has taken some years to be revised and as a result, there is a significant backlog of tenement renewals and transformations to be processed as well as consideration of new applications.

The Extractive Industries Transparency Initiative (EITI) in Madagascar has also been upgraded under the technical supervision of the Ministry of Mines and Strategic Resources and financial supervision of the Ministry of Economics and Finance.

The Company holds twelve tenements. It has ensured throughout the period that the BCMM (Madagascar's mining tenements department) did not process tenement renewals and transformations that all annual administration fees were paid. Accordingly, all the tenements held by the Company are in good standing which the government has determined to be a precondition for the process of renewals.

The Implementation Rules will now be prepared and these Rules will enable exploration and mining companies to understand how to progress against the Revised Mining Code. When these Implementation Rules become available the company will provide commentary on how they influence AKORA.

The Revised Mining Code includes a mining royalty increase from 2 to 5% of the sale price this compares to a 7.5% royalty for Direct Ship Iron Ore in Western Australia. The revised Mining Code states that when

transformation / upgrading of the mined product occurs, within Madagascar, then the royalty reduces from 5% to ~3.5%. Our present understanding of 'Transformation' of a mineral substance means all processes that give the mineral substances a different appearance than the original, or that modify their chemical or mineralogical composition, in order to valorise them. The degree of transformation will need to be confirmed once the particular Implementation Rule is announced. For comparison, the royalty in Western Australia for upgrading iron ore to a higher grade concentrate is 5%. The corporate income tax rate in Madagascar is 20%.

### Leadership changes

In early August, AKORA announced that Mr Matthew Gill, a mining engineer with over 40 years' experience, was appointed as an Independent Non-Executive Director to the AKORA Resources Board. He has held various key management and executive roles in both national and international jurisdictions. Mr Gill's technical studies, exploration and operational and corporate experiences in the minerals industry will add a broad range of skills for advancing AKORA in the next phase of the Company's progression.

On 28 August 2023, the Company announced that Mr John Madden had elected to resign as a director of the Company on 25 August 2023. The Company acknowledges and thanks John for his contribution and guidance since establishing the company in 2009.

In December 2023, the Company announced it had appointed experienced mining company executive Mr Shane Turner as Chief Financial Officer and Company Secretary, effective from 1 January 2024.

As a Chartered Accountant with over 35 years accounting and financial experience, Mr Turner has served as a Non-Executive Director, Company Secretary and Chief Financial Officer with Mozambique-focused heavy mineral sands company MRG Metals Ltd (ASX:MRQ) since 2011, and as Company Secretary and Chief Financial Officer for White Rock Minerals Ltd (ASX:WRM) since 2016.

In January 2024, subsequent to the end of the reporting year, AKORA appointed mining operations and project developer Mr Jason Whittle as General Manager - Development, effective from 15 January 2024. Jason has an Honours degree in Mineral Processing and has worked in operational leadership roles throughout the mining value chain, in mining and processing, through to marketing, before progressing to project development and implementation roles on major projects across Australia, Peru and Africa, working for Pasminco, Zinifex, OZ Minerals and MMG. Jason was most recently General Manager – Projects at Podium Minerals covering resource development, study management with internal and external resources, metallurgical testwork, financial modelling, environmental and license planning and ESG.

Additionally, AKORA appointed former BHP Iron Ore President Mr Graeme Hunt as Chairman, effective from 1 February 2024. Mr Hunt started his 34-year career with BHP in the sinter plant at the Port Kembla steel works, before performing General Management roles covering operations management, port operations, and corporate strategy. Between 1999 to 2005, he was President BHP Iron Ore where his global responsibilities included the expansion of BHP's Pilbara operations and the development of strong commercial relationships with Asian steel mills.

Mr Hunt served as Managing Director (MD) and Chief Executive Officer (CEO) of Lihir Gold Ltd during which time he managed the company's takeover by Newcrest Mining for A\$9.5 billion. More recently, he has held MD and CEO positions with both Broadspectrum (formerly Transfield Services) and Chairman then MD and CEO of AGL Energy Ltd.

Mr Hunt's commodity experience covers iron ore and steel, coal, manganese, aluminium, copper, uranium, gold, electricity and gas while his management expertise spans steel production, exploration, mining, logistics and port operations across Australia, South America, PNG and West and Southern Africa.

## Competent Persons' Statement

The information in this statement that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Jannie Leeuwner – BSc (Hons) Pr.Sci.Nat. MGSSA and is a full-time employee of Vato Consulting LLC. Mr. Leeuwner is a registered Professional Natural Scientist (Pr.Sci.Nat. - 400155/13) with the South African Council for Natural Scientific Professions (SACNASP). Mr. Leeuwner has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and the activity being undertaken to qualify as a Competent Person as defined in the Note for Mining Oil & Gas Companies, June 2009, of the London Stock Exchange and the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr. Leeuwner consents to the inclusion of the information in this release in the form and context in which it appears.

The information in this report that relates to Mineral Processing and related scientific and technical information, is based on, and fairly represents information compiled by Mr Paul Bibby. Mr Bibby is a Metallurgist and Managing Director of AKORA Resources Limited (AKO), as such he is a shareholder in AKORA Resources Limited. Mr Bibby is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Bibby has sufficient experience which is relevant to the styles of mineralisation and its processing under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Bibby consents to the inclusion in this report of the matters based on his information in the form and context in which it appears including analytical, test data and mineral processing results.

The information in this report that relates to Mineral Resources for the South Bekisopa Iron Project is based on information prepared by Mr Richard Ellis BSc, MSc, MCSM, FGS, CGeol, EurGeol and is a full-time employee of Wardell Armstrong International. Mr Ellis is a Chartered Geologist of the Geological Society of London and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ellis consents to the inclusion of the information in the release in the form and context in which they appear.

## Mineral Resources and Ore Reserves

AKORA's Resource at 31 December 2023.

| LOCATION                | INFERRED RESOURCE |             | CONCENTRATE |             | DAVIS TUBE  |
|-------------------------|-------------------|-------------|-------------|-------------|-------------|
|                         | TONNES            | HEAD GRADE  | TONNES      | GRADE       | RECOVERY    |
|                         | MT                | % FE        | MT          | % FE        | %           |
| Southern                | 110.2             | 32.0        | 42          | 67.6        | 37.8        |
| Central                 | 41.2              | 30.0        | 15          | 67          | 36.3        |
| Northern                | 43.3              | 33.3        | 19          | 68.2        | 43.3        |
| <b>Total (Inferred)</b> | <b>194.7</b>      | <b>32.0</b> | <b>75.4</b> | <b>67.6</b> | <b>38.7</b> |

Refer ASX Announcements on 23 March 2022 and 11 April 2022.

The 11 April 2022 Maiden Resource Estimate for the Bekisopa Southern Zone reported 4.2 mt DSO at 57% Fe within a 110.2 mt Inferred Resource. The recent infill DSO drilling has increased the total DSO resource to 5.54 mt at 60.35% Fe, within this is a **4.42 mt DSO Indicated Resource grading 60.86% Fe**.

|                         | Classification                | Tonnes (Mt) | Fe (%)       | SiO <sub>2</sub> (%) | Al <sub>2</sub> O <sub>3</sub> (%) | Density (t/m <sup>3</sup> ) |
|-------------------------|-------------------------------|-------------|--------------|----------------------|------------------------------------|-----------------------------|
| <b>Western DSO Zone</b> | <b>Indicated</b>              | <b>1.63</b> | <b>60.15</b> | <b>7.01</b>          | <b>2.65</b>                        | <b>3.68</b>                 |
|                         | Inferred                      | 0.33        | 58.83        | 6.37                 | 2.54                               | 3.74                        |
| <b>Eastern DSO Zone</b> | <b>Indicated</b>              | <b>2.80</b> | <b>61.28</b> | <b>4.80</b>          | <b>3.38</b>                        | <b>3.21</b>                 |
|                         | Inferred                      | 0.79        | 58.13        | 6.04                 | 4.23                               | 2.92                        |
|                         |                               |             |              |                      |                                    |                             |
| <b>TOTAL DSO</b>        | <b>Indicated</b>              | <b>4.42</b> | <b>60.86</b> | <b>5.61</b>          | <b>3.11</b>                        | <b>3.37</b>                 |
|                         | Inferred                      | 1.12        | 58.34        | 6.14                 | 3.73                               | 3.13                        |
|                         |                               |             |              |                      |                                    |                             |
| <b>TOTAL DSO</b>        | <b>Indicated and Inferred</b> | <b>5.54</b> | <b>60.35</b> | <b>5.72</b>          | <b>3.24</b>                        | <b>3.32</b>                 |

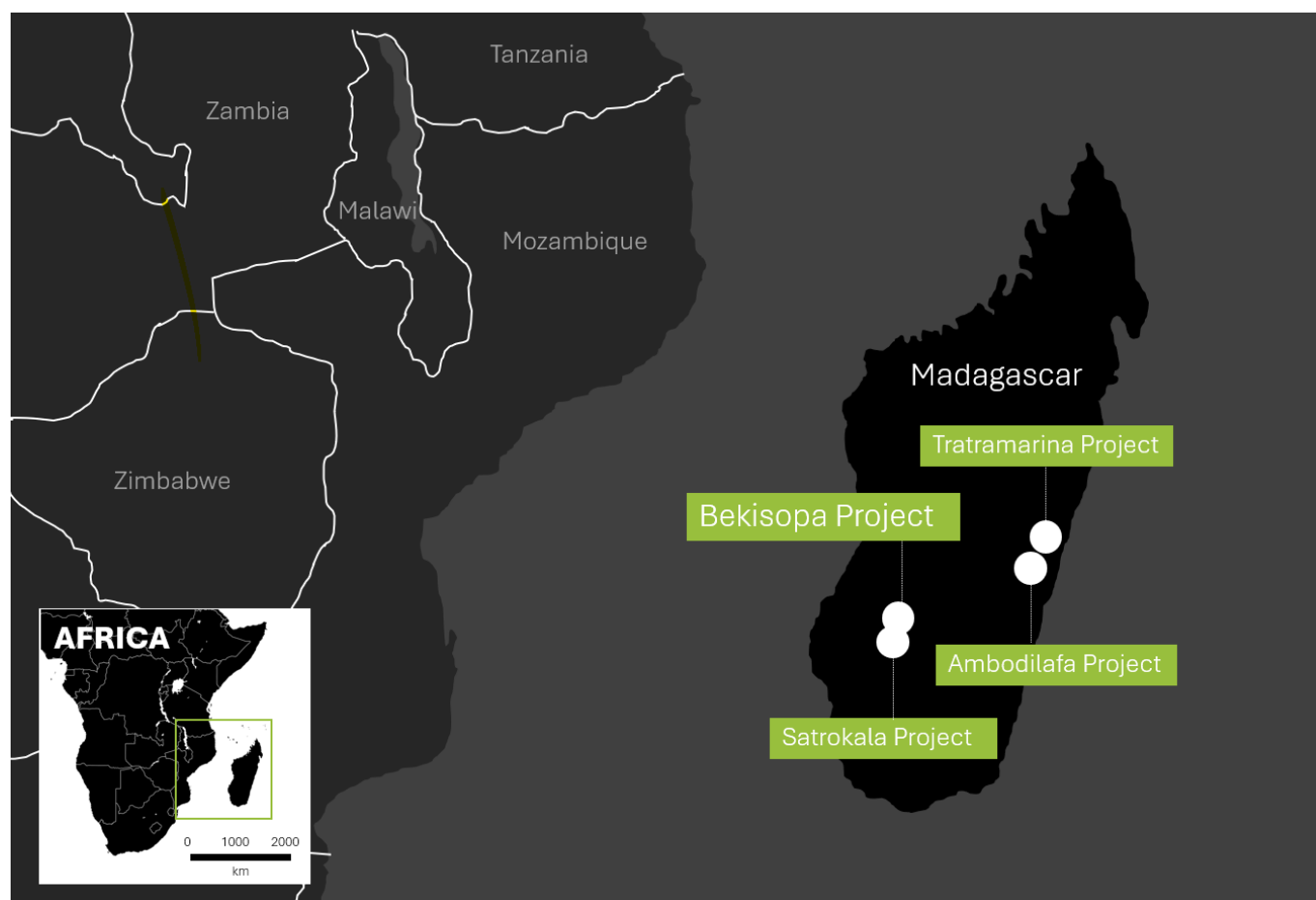
Refer ASX Announcement on 11 July 2023.

## Company Profile

AKORA Resources (ASX: AKO) is an Australian resources company focused on the development of four high-grade iron ore projects in Madagascar.

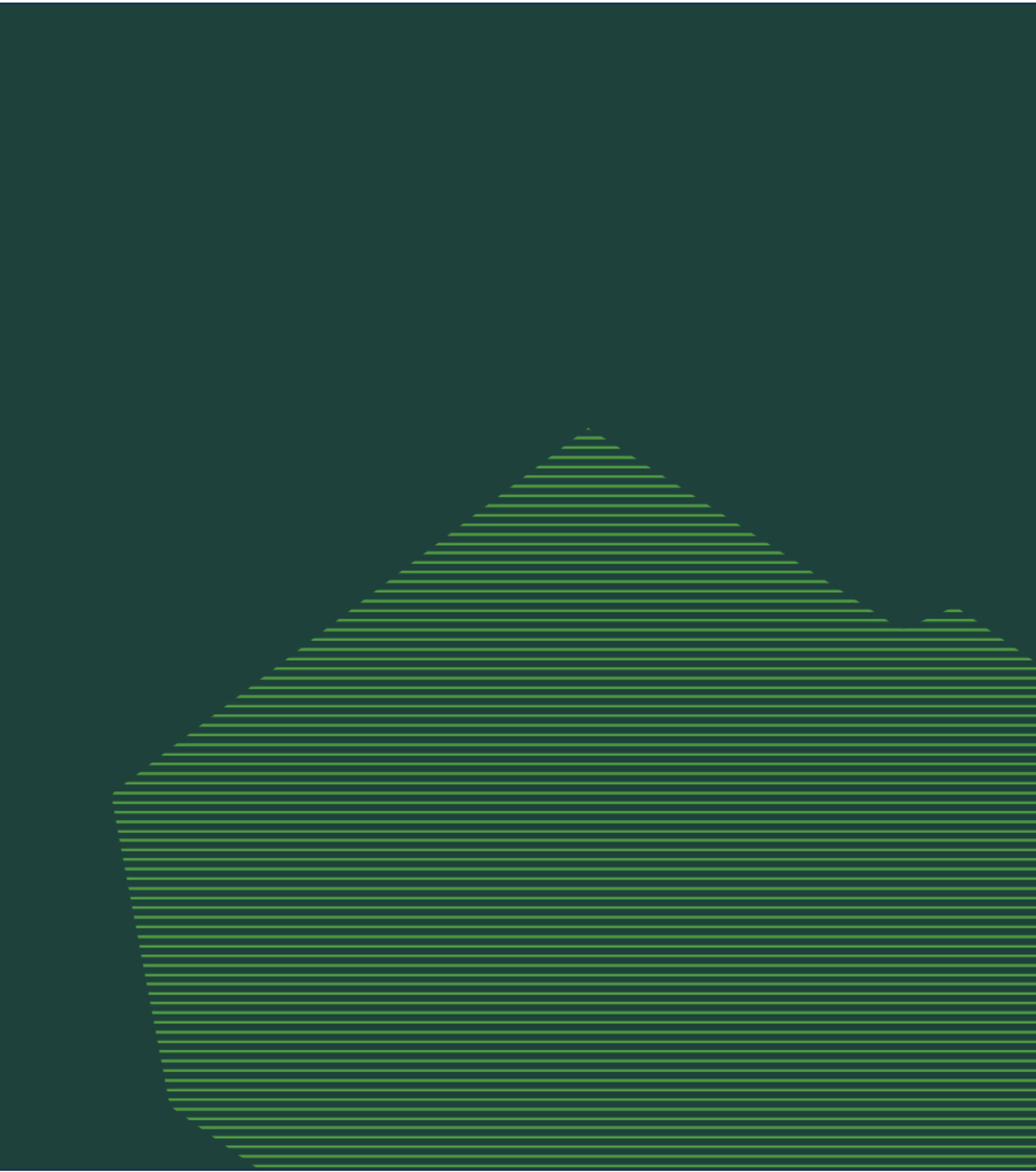
The Company's flagship Bekisopa Iron Ore Project has a 194.7 million tonne (mt) Inferred JORC Resource with very low impurities able to produce a premium-priced +68% Fe concentrate. Direct Reduced Iron-Electric Arc Furnace (DRI-EAF) technology which is used to make greener steel without burning coal and considerably less carbon emissions requires iron ore grades of at least 67%.

To generate cash in the near-term, AKORA is advancing plans at Bekisopa to produce up to 2Mt per annum over the first five years of a 61% Fe average grade direct shipping ore (DSO) for shipping to Blast Furnace-Basic Oxygen Furnace (BF-BOF) steelmakers.



**Figure 8.** Location of Projects.

# Directors Report



The directors present their report, together with the financial statements of AKORA Resources Limited (ACN 139 847 555) and the entities it controlled at the end of, or during, the year ended 31 December 2023 (hereafter referred to as the “Company”), for the financial year ended 31 December 2023.

## Principal Activities

The principal activities of the Company during the financial year were exploration for iron ore in Madagascar. There was no significant change in the nature of these activities during the year.

## Operating Results, Review of Operations for the Year and Significant Changes in State of Affairs

The net loss after tax attributable to shareholders of AKORA Resources Limited of \$1,594,970 for the year ended 31 December 2023 (the net loss after tax for the previous financial year was A\$1,051,025).

## Dividends

No dividends were declared and paid during the year.

## Events After Balance Date

The Company appointed Mr GP Hunt as Non-executive Chairman of the Company on 1 February 2024. Pursuant to the Letter of appointment Mr Hunt will receive a cash remuneration of \$90,000 per year as well as 500,000 performance rights, subject to shareholder approval.

Mr MH Stirzaker resigned as a Non-executive Chairman and as a director on 1 February 2024.

## Environmental Issues

The Company's projects are subject to the laws and regulations regarding environmental matters in Madagascar. Many of the activities and operations of the Company cannot be carried out without prior approval from and compliance with all relevant authorities. The company conducts its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the company could be subject to liability due to risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances.

## Overview

The Company incurred \$1,414,146 on exploration and evaluation of the Bekisopa project.

The financial performance of the Company since its listing on the ASX is as follows:

| 31 December             | 2023      | 2022      | 2021      | 2020      |
|-------------------------|-----------|-----------|-----------|-----------|
| Net loss after tax      | 1,594,970 | 1,051,025 | 1,077,391 | 1,456,540 |
| Loss per share (cents)  | 1.85      | 2.18      | 1.77      | 3.76      |
| Exploration expenditure | 1,041,600 | 1,675,840 | 3,445,007 | 728,906   |

## Information on Directors

The following persons were the directors in office during the period 1 January 2023 to 31 December 2023 and since year-end unless otherwise stated:

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>MH Stirzaker</b>                                         | Independent Non-executive Chairman (resigned on 1 February 2024).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Qualifications                                              | BCom, CA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Experience                                                  | <p>Mr Stirzaker was appointed to the board of directors on 22 August 2022.</p> <p>Mr Stirzaker has over 30 years' commercial experience, mainly in mining finance and mining investment. Mr Stirzaker began his career in Sydney as a Chartered Accountant with KMPG before moving into investment banking with HSBC Group and then Kleinwort Benson in London.</p> <p>From 1993 to 2007, Mr Stirzaker was part of the natural resource advisory and investment firm, RFC Group, where he became Joint Managing Director.</p> <p>From 2010 until 2021, Mr Stirzaker was a partner with the private equity mining fund manager, Pacific Road Capital.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Interest in shares and options                              | 600,000 ordinary shares indirectly held in the Company and 50,000 options over ordinary shares indirectly in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Directorships held in other listed entities in last 3 years | Base Resources Ltd since 19 November 2014 and Chairman from 26 November 2021; Southern Palladium from 4 December 2020; and Prodigy Gold NL from 3 December 2018 to 1 December 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>GP Hunt</b>                                              | Independent Non-executive Chairman (appointed on 1 February 2024).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Qualifications                                              | MBA, BMET, Faus IMM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Experience                                                  | <p>Mr Hunt was appointed Non-executive Chairman on 1 February 2024.</p> <p>Mr Hunt has over 40 years' experience in mining and metals. Mr Hunt has held senior positions with BHP Iron Ore and from 1999 to 2005 was President of BHP Iron Ore with responsibility for the expansion of its Pilbara Operations and development of relationships with Asian steel mills.</p> <p>Mr Hunt was Managing Director and Chief Executive Officer for Lihir Gold Ltd and managed the takeover process of Lihir by Newcrest Mining Limited.</p> <p>More recently, Mr Hunt has been Managing Director and Chief Executive Officer of Broadspectrum (formerly Transfield Services) and Chairman, Managing Director and Chief Executive Officer and Non-executive Director of AGL Energy Ltd from September 2012 to 30 September 2022.</p> <p>Mr Hunt has significant experience in iron ore and steel, coal, manganese, aluminium, copper, gold, uranium, electricity and gas and his management expertise spans steel production, exploration, mining, logistics and port operations in Australia, South America, PNG and West and Southern Africa.</p> |
| Interest in shares and options                              | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Directorships held in other listed entities in last 3 years | Non-executive Director of AGL Energy Ltd until 22 April 2021, then Managing Director/Chief Executive Officer until 30 September 2022.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PG Bibby</b>                                             | Chief Executive Officer and Managing Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Qualifications                                              | Dip App Sc (Secondary Metallurgy), B App Sc (Metallurgy)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Experience                                                  | <p>Mr Bibby was appointed to the board of directors on 9 July 2015 and appointed CEO/Managing Director on 1 January 2020.</p> <p>Mr Bibby is a metallurgist with over 35 years' experience in both mining and metals industries. Mr Bibby worked for 23 years with Rio Tinto Limited (formerly CRA Limited) in various operational, technological, and business development roles.</p> <p>With Rio Tinto, Mr Bibby held various operational roles at Rio Tinto Aluminium (formerly Comalco), Kaltim Prima Coal and Rio Tinto Iron Ore (Hamersley Iron). At Rio Tinto Iron Ore, Mr Bibby was manager of metallurgy at both Dampier and Paraburdoo.</p> <p>Mr Bibby joined Zinifex Limited in 2004 as General Manager-Technology and then played a leading role in the merging of Umicore and Zinifex smelting businesses to form Nyrstar and became Chief Development Officer based in London.</p> <p>On returning to Australia, Mr Bibby was appointed Managing Director of OceanaGold Corporation and following OceanaGold, Mr Bibby performed various consulting roles.</p>                        |
| Interest in shares and options                              | 2,485,918 ordinary shares indirectly and 31,250 options over ordinary shares indirectly in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Directorships held in other listed entities in last 3 years | No other directorships in the past three years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>MD Gill</b>                                              | Non-executive director (appointed 2 August 2023).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Qualifications                                              | B.Eng (Hons) (Mining) M.Eng Sc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Experience                                                  | <p>Mr Gill was appointed Non-executive Director on 2 August 2023.</p> <p>Mr Gill has held senior roles in both Australian and international jurisdictions (Bolivia, Ghana, India, PNG and USA) for Rio Tinto (Orissa Iron Ore), Castlemaine Goldfields, Western Mining Corporation, Placer Pacific, Renison Goldfields, White Rock Minerals and LionGold Corporation.</p> <p>Mr Gill has held exploration, technical and operating roles across a range of commodities, including base, ferrous and precious metals as well as industrial minerals.</p> <p>Mr Gill has extensive experience in safety, governance and risk management as well as experience in capital markets. Mr Gill has overseen completion of Resource Estimates and led pre-feasibility and feasibility studies and has been instrumental in the project development, establishment and operation of four mines in Australia and Internationally.</p> <p>Mr Gill is a fellow of the Australian Institute of Mining and Metallurgy and has completed the Graduate course for the Australian Institute of Company Directors.</p> |
| Interest in shares and options                              | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Directorships held in other listed entities in last 3 years | Managing Director/Chief Executive Officer of White Rock Minerals Limited from 1 August 2016 to 12 October 2022 and Non-executive Director until 31 October 2022, Non-executive Director of AuStar Gold Limited from 2016 to 2021 and is currently a Non-executive Director of Polymetals Resources Limited since 16 May 2023.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>JM Madden</b>                                            | Executive Director (resigned as an executive director on 25 August 2023) and Company Secretary on 19 February 2024).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Qualifications                                              | BCom (Melb) FCPA FGIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Experience                                                  | <p>Mr Madden was appointed to the board of directors on 6 October 2009 and is the founder of the Company.</p> <p>Mr Madden has over 40 years' experience in the mining industry. Mr Madden joined Rio Tinto (formerly CRA Limited) from the University of Melbourne in 1981 and held several corporate positions including accounting, planning, business analysis, strategy and acquisition and taxation. Between 1996 and 2000, Mr Madden was Manager-Finance for the Rio Tinto/Freeport Joint Venture in West Papua.</p> <p>From 2001 to 2003, Mr Madden was General Manager-Commercial Morobe Consolidated Goldfields Limited (Morobe controlled the Hidden Valley and Wafi projects) in Papua New Guinea.</p> <p>On his return to Australia, Mr Madden was General Manager-Commercial, Indophil Resources NL where he was responsible for all accounting, business analysis, corporate secretarial, legal and taxation functions in Australia and the Philippines.</p> <p>Since 2007, Mr Madden has provided consulting services to various mining projects in Africa, Asia, and Australia for entities such as Australian Premium Iron Ore JV, Intrepid Mines Limited, Mesa Minerals Limited, and Ok Tedi Mining Limited.</p> <p>Mr Madden negotiated the acquisition of the exploration projects now held by the Company and managed the Company since its incorporation.</p> |
| Interest in shares and options                              | 794,814 ordinary shares directly and 1,117,617 ordinary shares indirectly in the Company and 167,703 options over ordinary shares in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Directorships held in other listed entities in last 3 years | Otto Energy Limited (appointed non-executive director on 1 July 2022)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>SG Turner</b>                                            | Company Secretary and Chief Financial Officer (appointed on 19 December 2023).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Qualifications                                              | BBus CA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Experience                                                  | <p>Mr Turner was appointed Company Secretary and Chief Financial Officer on 19 December 2023.</p> <p>Mr Turner is a Chartered Accountant with over 37 years' accounting and financial experience. Mr Turner is an employee of accounting firm RSM Australia.</p> <p>Mr Turner has served as a Non-Executive Director, Company Secretary and Chief Financial Officer with Mozambique-focused heavy mineral sands company MRG Metals Ltd since 2011 and as Company Secretary and Chief Financial Officer for White Rock Minerals Ltd since 2016.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Interest in shares and options                              | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Directorships held in other listed entities in last 3 years | MRG Metals Ltd since 2011.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## Meetings of directors

During the financial year, the board of directors held 4 meetings (including committee meetings of directors) with the remainder of meetings conducted by way of written resolution. Attendances by each director during the year were as follows:

|              | Committee Meetings |          |                                 |          |                                 |          |
|--------------|--------------------|----------|---------------------------------|----------|---------------------------------|----------|
|              | Directors Meetings |          | Audit & Risk Committee Meetings |          | Remuneration Committee Meetings |          |
|              | No                 | Attended | No                              | Attended | No                              | Attended |
| MH Stirzaker | 4                  | 4        | -                               | -        | -                               | -        |
| PG Bibby     | 4                  | 3        | -                               | -        | -                               | -        |
| MD Gill      | 2                  | 2        | -                               | -        | -                               | -        |
| JM Madden    | 3                  | 3        | -                               | -        | -                               | -        |

## Options

At as the date of this report, the unissued ordinary shares of the Company under unlisted options are as follows:

| Grant date      | Expiry date | Exercise Price | Option Number     |
|-----------------|-------------|----------------|-------------------|
| 4 May 2023      | 25 May 2026 | \$0.2500       | 2,478,125         |
| 25 May 2023     | 25 May 2026 | \$0.2500       | 7,221,088         |
| 18 October 2023 | 25 May 2026 | \$0.2500       | 5,000,000         |
|                 |             |                | <u>14,699,213</u> |

## Risk Management

The board of directors regularly reviews at each board meeting the key risks associated with conducting exploration and evaluation in Madagascar and steps to manage the risk. The board of directors also considers the implications of these risks on the Company's corporate activities and particularly, safety, environment and equity raising impacts and capabilities.

The key risks are:

### 1. Titles and research permits

Whilst the Company is satisfied that it has taken reasonable measures to ensure an unencumbered right to explore its licence areas in Madagascar, they are subject to greater risks than more developed countries, including significant legal, economic and political risks.

Most of the research permits are in the process of being renewed. Due to the moratorium caused by the political crisis that affected Madagascar between 2009-2013, the *Bureau du Cadastre de Madagascar Minier* (Mines Department) has to date only been operating a limited service largely limited to collection of annual fees in respect of mining permits.

The Company has paid all annual renewal fees on its research permits with all research permits annual administration fees paid up to 31 December 2023. The government has publicly stated it will award renewals to all entities that have paid all administration fees and that their rights to the research and exploitation permits are assured. These issues are not particular to the Company and impact on the majority of tenement holders in Madagascar.

During the financial year a new Mining Code was approved by the *Nationale Assemblée* and the *Senat*; however, the accompanying Implementation Rules remain in draft form. The mining industry in Madagascar is presently operating under the old Mining Code.

2. **Exploration and development**

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable.

Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up economically recoverable resources and reserves, access to adequate capital funding throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining the required community "licence to operate", development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

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

Since late 2019, the Company has de-risked one of its projects with highly successful exploration and evaluation activities at the Bekisopa iron ore project. The exploration and evaluation has resulted in the Company releasing a JORC Mineral Resource in April 2023 and a Scoping Study undertaken Wardell Armstrong International in November 2023. Further reconnaissance exploration has returned excellent rock chip samples from its Satrokala iron ore prospect 40 kilometres from the Bekisopa project.

3. **Future authorisations to enable the granting of an exploitation permit**

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit.

There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

4. **Reliance on key personnel**

The Company's success is to a large extent dependent upon the retention of key personnel.

There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates are not available. Furthermore, there is no guarantee the Company is able to attract, train and retain key individuals and other highly skilled employees and consultants. As a result, the Company's operations and financial performance would likely be adversely affected. There is no key person insurance policy in place, meaning that if a key employee were to cease employment, the Company may not be able to find a replacement at a reasonable cost.

The board of directors acknowledge that the existing Company personnel are committed to advance the exploration and evaluation activities of the Company.

5. **Future funding risk**

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will be dependent on the capacity of the Company to raise funds from equity and debt markets.

The Company will need to engage in the equity capital markets for continued exploration and evaluation and equity and debt markets to undertake development. Any additional equity financing may be dilutive to Shareholders, as pricing of the Company's shares are dependent on internal and external outcomes.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

6. **Unforeseen expenditure risk**

Exploration and evaluation expenditures and development expenditures may increase significantly above existing costs.

Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

The board of directors note that the Company has completed exploration and evaluation activities that have resulted in the release a JORC Mineral Resource and Scoping Study within the budgeted costs and continues to manage costs cautiously.

7. **Commodity prices and exchange rates risk**

The value of the Company's assets and potential earnings in future years may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated iron ore prices (among other commodities) and the AUD / USD exchange rate.

These prices can significantly fluctuate and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, commodity price forward curves, global economic trends, and domestic and international fiscal, monetary and regulatory policy settings. In the event the Company achieves exploration success leading to viable mining production, the Company's financial performance will be highly dependent on commodity prices and exchange rates.

8. **Future profitability risk**

The Company is in the early-stage exploration at this time. The Company's performance will be impacted by, among other things, the success of its exploration, project development and mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments.

Accordingly, the extent of future profits and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted at this time.

9. **Investments in developing countries are generally subject to increased risk**

The Company is committed to conducting business in Madagascar and investors should be aware that these investments are generally subject to greater risk than investments in the securities of issuers from more developed countries and carry risks that are not typically associated with investing in more mature markets.

These risks include, but are not limited to, greater political risk, budget deficits, lack of adequate infrastructure necessary to sustain economic growth and changes in the political and economic environment.

10. **Sovereign and political risks**

The mining industry in Madagascar is in its early stages and is not as developed as in some other more established jurisdictions in which the Company's competitors operate. As such, Madagascar currently has limited resources, infrastructure and experience to support mining operations.

There has been significant investment in the mining sector with the development and operation of two significant projects involving Rio Tinto and Sumitomo. Further there is no material history of mining operations in Madagascar meaning that there is limited "in-country" experience available and that the Company will need to both develop and train workers and supply sufficiently qualified workers to develop the Projects.

Further, due to the lack of historical mining operations in Madagascar, the legislative and regulatory framework (and application and interpretation thereof) under which the Group operates is largely untested both by operators but also the government, relevant ministries and regulatory bodies that regulate such operations and, consequently, may be subject to further development, amendment, interpretation, litigation or change in a relatively short space. It is to be noted that a new Mining Code was approved in 2023 and this, along with the supporting Implementation Rules which

are currently being drafted, are seen as a positive step in supporting a growing and maturing mining industry in the country.

**11. Legal system**

Madagascar has a less developed legal system than more established economies.

Legal risks such as:

- effective legal redress in the Malagasy courts, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain;
- a higher degree of discretion on the part of Governmental authorities;
- the lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- relative inexperience of the judiciary and courts in such matters.

There can be no assurance that property title, joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of Government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

**12. Regulatory, political, economic and social risks**

The Company's exploration and evaluation activities are undertaken in Madagascar.

The Company may be affected by possible political or economic instability and the related risks, including, among other things, security concerns, labour disputes, government policy with respect to mining, labour, monetary and fiscal issues, fluctuations in currency exchange rates and high rates of inflation.

Changes to government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, nationalisation of assets, maintenance of claims, environmental legislation, land use, land claims, water use and mine safety, or a combination of any of these factors could materially and adversely affect the Company's business, financial condition and results of operations.

Madagascar is largely dependent on aid donors such as the International Monetary Fund and World Bank Group for funding human development programmes and infrastructure. The international community has welcomed the progress made by Madagascar, however, if aid is withdrawn it could affect the Company's operations.

Possible disruptions to exploration and evaluation activities by members of the local community or from non-governmental organisations opposed to mining, development or foreign investment may attempt to disrupt or halt the Company's exploration activities.

In addition, there can be no assurance that the Company will be able to obtain or maintain effective security of any of the Company's assets or personnel in Madagascar or any future region or country in which it operates.

The Company has taken significant steps to build good relations with the local community and relevant Government Departments and works closely with the local community and Government to continue to enjoy these good relationships.

**13. Share market conditions**

There can be no guarantee that an active market in the Company's shares will develop or that the price of the shares will increase.

There may be relatively few buyers or sellers of the shares on the ASX at any given time. The market price of the shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. These factors may materially affect the market price of the shares, regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

**14. Economic risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration and evaluation activities and eventual development and production activities, as well as on its ability to fund those activities.

General economic conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; pandemics and terrorism or other hostilities.

**15. Change in regulation**

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia, Madagascar or any other jurisdiction in which the Company operates in the future, that affect mineral mining and exploration activities, tax laws, carbon markets, royalty regulations, government subsidies and environmental issues may affect the viability of a Project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's planned and future activities.

**Proceedings on Behalf of Company**

The Company has no outstanding or pending litigation whether brought by the Company or brought against the Company by a third party.

**Non-Audit Services**

Hall Chadwick has not provided any non-audit services during the financial year.

**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 36.

This report of the directors is signed in accordance with a resolution of the Board of Directors.



GP Hunt  
Non-executive Chairman

Dated this 22<sup>nd</sup> Day of March 2024

## Remuneration Committee and remuneration policy

The Company established, on Listing, a Remuneration Committee which comprises Messrs MH Stirzaker and SL Fabian, both non-executive directors, to comply with ASX Corporate Governance Principles. Mr Fabian resigned as director of the Company on 31 October 2021 and as a result, the board of directors suspended the operation of the Remuneration Committee, with the full Board assuming this role.

The board of directors appointed Mr MD Gill as a non-executive director on 1 August 2023 and following the resignation of Mr JM Madden is in fully compliance with the ASX Corporate Governance Principles and the Remuneration Committee has been re-established and comprises both non-executive directors.

The role of the Remuneration Committee is to advise the board of directors in fulfilling its responsibilities to shareholders by:

- (a) establishing and reviewing executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- (b) ensuring executive remuneration policy displays a clear linkage between performance and remuneration and therefore, fairly and responsibly rewarding performance under prevailing market conditions;
- (c) reviewing the recruitment, retention and termination policies of the Company and procedures for executives;
- (d) reviewing and recommending to the board of directors' equity-based plans and other equity-based incentive schemes;
- (e) evaluating the performance of non-executive directors;
- (f) ensuring non-executive directors' remuneration is fair and responsible under prevailing market conditions; and
- (g) recommending to the board of directors (and in accordance with the Corporations Act shareholders) equity-based plans and other equity-based incentives schemes for non-executive directors to participate.

The Remuneration Committee has the right to retain consultants to assist it in performing its role. The Remuneration Committee, as at the date of this report, has not used consultants to assist with its role.

The Remuneration Committee tests its decisions through instructing management to develop a Peer Group of exploration entities at a similar stage in advancement of exploration projects. The goal of this Peer Review is to ensure that fixed remuneration and incentive-based remuneration sit comfortably within the range of the Peer Group. The Remuneration Committee also has authority to secure advice on remuneration from consultants specialising in assisting entities with remuneration of executives.

## Contracts of Employment and Letters of Appointment

As part of the listing process, the Company formalised contracts of employment with its two executive directors (Messrs PG Bibby and JM Madden). The fixed remuneration principles set out above were used as the basis for setting the fixed remuneration.

### PG Bibby

The Company executed a Contract of Employment with Mr Bibby on 3 September 2020 but was effective from 1 July 2019 (the MD Agreement). Mr Bibby is engaged as a full-time employee of the Company in the role of Managing Director and Chief Executive Officer. Mr Bibby is responsible for executing the strategy and direction of the Company and for overseeing the Company's projects in Madagascar and in particular, coordinating and implementing the exploration strategy for these projects with input from other senior executive staff, and subject to the overall control and direction of the board of directors.

The remuneration payable to Mr Bibby for the MD Services is \$250,000 exclusive of statutory superannuation (Base Salary). In addition to the Base Salary, the Company can grant Mr Bibby an annual performance bonus of up to 25% of the Base Salary during the exploration phase (MD Bonus), initially to a maximum of \$62,500, based on key performance indicators (KPIs) agreed between the Company and Mr Bibby. If the KPIs are met, the Company will pay the MD Bonus within three months of the end of the relevant financial year. The MD Bonus can also be payable on a pro rata basis.

The MD Agreement is for an indefinite term, continuing until terminated in accordance with the MD Agreement. Either the Company or Mr Bibby may terminate the MD Agreement by giving 12 months' notice in writing to the other party. The Company may terminate the MD Agreement without notice in certain limited circumstances.

### JM Madden

The Company entered into an employment agreement with Mr Madden on 3 September 2020 but effective from 1 July 2019 (CFO Agreement). Mr Madden was engaged by the Company full-time as Chief Financial Officer and Company Secretary and

was responsible for the provision of company secretarial and financial management services (Services), reporting to the Managing Director and Chief Executive Officer.

The remuneration payable to Mr Madden for the Services was \$150,000 exclusive of superannuation (Base Salary). Mr Madden may also be paid an annual performance bonus of up to 20% of the Base Salary during the development phase (CFO Bonus), conditional upon KPIs agreed between the Company and Mr Madden. If the KPIs are met, the CFO Bonus will be paid within three months of the end of the relevant financial year. The CFO Bonus is payable on a pro rata basis.

The CFO Agreement commenced on 1 July 2019 for an indefinite term and could be terminated by either party giving 12 months' notice in writing. The Company could terminate the CFO Agreement without notice or prior warning in certain limited circumstances.

During 2022, Mr Madden reverted to a part-time role as Company Secretary/Chief Financial Officer in order to reduce future costs to the Company and resigned as an executive director on 25 August 2023 and as Company Secretary on 19 February 2024.

### ***MH Stirzaker***

The Company entered into a Letter of Appointment on 22 August 2020 and an amended Letter of Appointment on 9 October 2020 with Mr MH Stirzaker. Under the Letter of Appointment Mr Stirzaker was entitled to a cash remuneration of \$75,000 plus the 9.5% superannuation levy. (The Superannuation levy has increased to 11% since the date of appointment.)

Shareholders on 13 April 2021 agreed to award Mr Stirzaker 400,000 Performance Rights for nil consideration. On 2 September 2022, the performance rights were converted into fully paid ordinary shares with a fair value of \$152,000 following the satisfaction by Mr Stirzaker of the performance milestone.

During the process for recruiting a non-executive chairman for the Company, the board of directors concluded that to secure an appropriately skilled non-executive chairman it was important to provide both fixed remuneration and an incentive-based remuneration.

### ***MD Gill***

The Company entered into a Letter of Appointment on 25 July 2023. Under the Letter of Appointment Mr Gill is entitled to a cash remuneration of \$50,000 inclusive of superannuation levy. Mr Gill is paid his cash remuneration through his consulting entity with the Company with GST added to the cash remuneration and claiming the GST as an input credit.

Pursuant to the Letter of Appointment, a resolution will be put to shareholders at the 2024 annual general meeting to award Mr Gill 200,000 performance rights in the Company for zero consideration with the performance converting into fully paid ordinary shares following two years of service.

### ***2023 Remuneration***

In relation to non-executive directors, the maximum remuneration pool available under the Constitution of the Company under 6.3(a) is \$750,000. The total remuneration paid during the financial year to non-executive directors was \$99,516 (inclusion of superannuation contributions (2022: \$77,350 in the previous financial year when the Company had non-executive directors for both Messrs Stirzaker and Fabian).

### ***LTIP***

The Company adopted on 11 August 2011 a Long-term Incentive Plan (LTIP) which provides the board of directors to make offers to eligible directors and employees to acquire securities in the Company.

Under the terms of the LTIP, the board of directors may award performance rights or grant options.

### ***Performance rights:***

The performance rights require no payment for the grant to be made; and subject to certain rules relating to cessation of employment, takeovers or insolvency events, will vest only where certain performance conditions have been satisfied (or waived).

Upon vesting of a performance right, Ordinary Shares will be allocated to the participant without any further action on the part of the participant.

On vesting of a performance right, the Board must allocate the relevant number of Shares due to the participant by either issuing new Shares, procuring the transfer of Shares or procuring the setting aside of Shares for the participant.

A performance right will lapse on the earlier of, amongst other things, the occurrence of specific instances or if the participant has failed to meet a performance condition within the prescribed period.

***Options:***

Options require no payment for the grant to be made and will only vest and become exercisable where certain performance conditions have been satisfied.

The exercise of any option granted under the LTIP will be effected in the form and manner determined by the board of directors and must be accompanied by payment of the relevant exercise price (if any) advised to the participant by the board of directors.

Following the exercise of an option, the board of directors must allocate the relevant number of Shares due to the participant by either issuing new shares, procuring the transfer of shares or procuring the setting aside of shares for the participant.

An option will lapse on the earlier of, amongst other things, the occurrence of specific instances, if the participant has failed to meet a performance condition within the prescribed period or seven years from the grant of the option (or on any other date nominated as the expiry date in the invitation letter).

***Prohibited dealings:***

The LTIP prohibits any dealing (which includes, amongst other things, selling, transferring, assigning, encumbering the relevant performance right or option, or attempting to do any of these actions) in respect of an LTIP Security unless the Board determines otherwise, or it is required by law.

If a participant deals in an LTIP Security in contravention of this rule, it will immediately lapse.

The Board may also impose restrictions on dealing in respect of any Ordinary Shares that are allocated on the vesting of a performance right or the exercise of an option.

***Cessation of employment:***

Where a participant ceases to be a director or employee of the Group, that participant's LTIP Securities will continue to be held by the participant and continue to be subject to the terms of the LTIP. However, the Board may determine that some or all of the participants LTIP Securities will vest or become exercisable, or lapse.

***Takeovers and insolvency events:***

In the event of a takeover bid, or on certain insolvency events, the Board may determine that all (or a specified number of) a participant's unvested LTIP Securities will vest. Any such vested options will be exercisable for a period of time as specified by the Board, after which they will lapse.

***Power to make amendments:***

The Board has the right to, amongst other things to make any adjustments to the terms of a performance right or option (in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action or capital reconstruction) by resolution, and subject to the terms set out in the LTIP to suspend or terminate the operation of the Long Term Incentive Plan; and be reimbursed by the participant any amount to account for income tax (or any other tax of a similar nature) due from the Company in connection with the grant of any LTIP Securities.

Other than to comply with a relevant law, correct a manifest error or to take into account possible adverse tax implications, without the consent of the participant, the Board may not exercise its rights above in a manner which reduces the rights of the participant in respect of an LTIP Security already granted.

## REMUNERATION REPORT

### Remuneration details for the financial years ended 31 December 2023 and 2022

| Group KMP                                 | Short-term benefits |                      |              |       | Post-Employment Benefits  | Long-term Benefits | Share-based payments |                                      | Total   | % S-BP |
|-------------------------------------------|---------------------|----------------------|--------------|-------|---------------------------|--------------------|----------------------|--------------------------------------|---------|--------|
|                                           | Salary/Fees         | Profit share/Bonuses | Non-monetary | Other | Super-annuation<br>Note 2 | Other              | Equity               | Options/Performance Rights<br>Note 1 |         |        |
| For Financial Year Ended 31 December 2023 |                     |                      |              |       |                           |                    |                      |                                      |         |        |
| MH Stirzaker                              | 70,000              | -                    | -            | -     | 7,700                     | -                  | -                    | -                                    | 77,700  | 0.00%  |
| PG Bibby                                  | 250,000             | 40,000               | -            | -     | 26,875                    | -                  | -                    | 101,510                              | 418,385 | 24.26% |
| MD Gill                                   | 21,816              | -                    | -            | -     | -                         | -                  | -                    | -                                    | 21,816  | 0.00%  |
| JM Madden                                 | 63,200              | -                    | -            | -     | 3,089                     | -                  | -                    | 63,443                               | 129,732 | 48.90% |
|                                           | 405,016             | 40,000               | -            | -     | 37,664                    | -                  | -                    | 164,953                              | 647,633 | 25.5%  |
| For Financial Year Ended 31 December 2022 |                     |                      |              |       |                           |                    |                      |                                      |         |        |
| MH Stirzaker                              | 70,000              | -                    | -            | -     | 7,350                     | -                  | -                    | 69,487                               | 146,837 | 47.3%  |
| PG Bibby                                  | 250,000             | 50,000               | -            | -     | 38,125                    | -                  | -                    | 26,664                               | 364,789 | 7.31%  |
| JM Madden                                 | 112,802             | 25,000               | -            | -     | 18,547                    | -                  | -                    | 16,665                               | 173,014 | 9.63%  |
|                                           | 432,802             | 75,000               | -            | -     | 64,022                    | -                  | -                    | 112,816                              | 684,640 | 16.5%  |

#### Notes

1. The Company cancelled options over ordinary shares previously granted to Executive Directors to develop an alternative mechanism to incentivise Executives. Under AASB 2 Share-based payments, the Company is required to amortise in full the fair value of the options over ordinary shares previously granted to the Executive Directors notwithstanding the cancellation.
2. Superannuation contributions for Mr PG Bibby and JM Madden for the financial year 31 December 2022 include amounts due to them for the previous financial year which were not accrued as at 31 December 2021.

## Equity holdings of each director

| Group KMP    | Balance at start of year<br>No | Received during the year as compensation<br>No | Conversion of performance shares during the year<br>No | Subscriptions to issues of IPO shares<br>No | Other changes during the year<br>No | Balance at end of year<br>No |
|--------------|--------------------------------|------------------------------------------------|--------------------------------------------------------|---------------------------------------------|-------------------------------------|------------------------------|
| <b>2023</b>  |                                |                                                |                                                        |                                             |                                     |                              |
| MH Stirzaker | 500,000                        | -                                              | -                                                      | 100,000                                     | -                                   | 600,000                      |
| PG Bibby     | 2,423,418                      | -                                              | -                                                      | 62,500                                      | -                                   | 2,485,918                    |
| MD Gill      | -                              | -                                              | -                                                      | -                                           | -                                   | -                            |
| JM Madden    | 1,677,026                      | -                                              | -                                                      | 335,405                                     | (100,000)                           | 1,912,431                    |
|              | <b>4,600,444</b>               | <b>-</b>                                       | <b>-</b>                                               | <b>497,905</b>                              | <b>(100,000)</b>                    | <b>4,998,349</b>             |

## 2022

|              |                  |          |                |          |                |                  |
|--------------|------------------|----------|----------------|----------|----------------|------------------|
| MH Stirzaker | 100,000          | -        | 400,000        | -        | -              | 500,000          |
| PG Bibby     | 2,261,720        | -        | -              | -        | 161,698        | 2,423,418        |
| JM Madden    | 1,377,026        | -        | -              | -        | 300,000        | 1,677,026        |
|              | <b>3,738,746</b> | <b>-</b> | <b>400,000</b> | <b>-</b> | <b>461,698</b> | <b>4,600,444</b> |

The directors participated in the 2023 Entitlement Offer.

Ms JFE Woodford, a related party to Mr JM Madden, sold 100,000 shares in October 2023.

Mr PG Bibby holds his ordinary shares indirectly via his superannuation fund. In addition, the holding of Ms JA Bibby, the daughter of Mr PG Bibby, is included in the holding of Mr PG Bibby, as Ms JA Bibby satisfied the definition of a related party under AASB 124 Related Parties Disclosure. Ms JA Bibby held 489,759 ordinary shares in the Company as at 31 December 2023.

Mr JM Madden directly holds 794,814 ordinary shares and indirectly holds 617,618 ordinary shares via his superannuation fund and via 500,000 ordinary shares via his partner Ms JFE Woodford. During the financial year, Ms JFE Woodford sold 100,000 ordinary shares in the Company.

## Options over ordinary shares held by each director

| Group KMP    | Balance at start of year<br>No | Received during the year as compensation<br>No | Exercised during the year<br>No | Rights Issue Options<br>No | Other changes during the year<br>No | Balance at end of year<br>No |
|--------------|--------------------------------|------------------------------------------------|---------------------------------|----------------------------|-------------------------------------|------------------------------|
| <b>2023</b>  |                                |                                                |                                 |                            |                                     |                              |
| MH Stirzaker | -                              | -                                              | -                               | 50,000                     | -                                   | 50,000                       |
| PG Bibby     | 1,200,000                      | -                                              | -                               | 31,250                     | (1,200,000)                         | 31,250                       |
| MD Gill      | -                              | -                                              | -                               | -                          | -                                   | -                            |
| JM Madden    | 750,000                        | -                                              | -                               | 167,703                    | (750,000)                           | 167,703                      |
|              | <b>1,950,000</b>               | <b>-</b>                                       | <b>-</b>                        | <b>248,953</b>             | <b>(1,950,000)</b>                  | <b>248,953</b>               |
| <b>2022</b>  |                                |                                                |                                 |                            |                                     |                              |
| MH Stirzaker | 50,000                         | -                                              | -                               | -                          | (50,000)                            | -                            |
| PG Bibby     | 100,000                        | 1,200,000                                      | -                               | -                          | (100,000)                           | 1,200,000                    |
| JM Madden    | -                              | 750,000                                        | -                               | -                          | -                                   | 750,000                      |
|              | <b>150,000</b>                 | <b>1,950,000</b>                               | <b>-</b>                        | <b>-</b>                   | <b>(150,000)</b>                    | <b>1,950,000</b>             |

## 2023

The Company cancelled options over ordinary shares previously issued to Executive Directors and proposes to replace the options over ordinary shares with an alternative mechanism to incentivise Executives.

The directors participated in the Entitlement Offer during the financial year and accordingly, received one option over ordinary shares for every two shares subscribed.

## 2022

The option holding of Mr PG Bibby includes 50,000 options over ordinary shares issued to Ms JA Bibby, the daughter of Mr PG Bibby, that were issued to Ms Bibby pursuant to participation in the IPO.

Options issued to Mr MH Stirzaker and Mr PG Bibby and his related parties pursuant to the IPO offering expired without being exercised on 7 December 2022.

There are no other related party transactions with Key Management Personnel and their related parties as at 31 December 2023 (2022: nil).

## Performance rights held by each director

| Group KMP    | Balance at<br>start of year<br>No | Awarded during<br>the year as<br>compensation<br>No | Performance<br>milestone<br>achieved<br>No | Performance<br>milestone<br>lapsed<br>No | Other<br>changes<br>during the<br>year<br>No | Balance at<br>end of year<br>No |
|--------------|-----------------------------------|-----------------------------------------------------|--------------------------------------------|------------------------------------------|----------------------------------------------|---------------------------------|
| <b>2023</b>  |                                   |                                                     |                                            |                                          |                                              |                                 |
| MH Stirzaker | -                                 | -                                                   | -                                          | -                                        | -                                            | -                               |
| PG Bibby     | -                                 | -                                                   | -                                          | -                                        | -                                            | -                               |
| MD Gill      | -                                 | -                                                   | -                                          | -                                        | -                                            | -                               |
| JM Madden    | -                                 | -                                                   | -                                          | -                                        | -                                            | -                               |
|              | -                                 | -                                                   | -                                          | -                                        | -                                            | -                               |
| <b>2022</b>  |                                   |                                                     |                                            |                                          |                                              |                                 |
| MH Stirzaker | 400,000                           | -                                                   | (400,000)                                  | -                                        | -                                            | -                               |
| PG Bibby     | -                                 | -                                                   | -                                          | -                                        | -                                            | -                               |
| JM Madden    | -                                 | -                                                   | -                                          | -                                        | -                                            | -                               |
|              | 400,000                           | -                                                   | (400,000)                                  | -                                        | -                                            | -                               |

Shareholders resolved at the annual general meeting on 13 April 2021 to award Mr MH Stirzaker 400,000 performance rights for zero consideration with the performance rights milestone being the continuation of directorship of the Company for two years.

On 2 September 2022, the performance milestones were achieved by Mr MH Stirzaker and the performance rights over ordinary shares were converted into fully paid ordinary shares at a fair value of 38 cents per ordinary share.

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 Akora Resources Limited for the financial year ended 31 December 2023, 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*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark Delaurentis*  
MARK DELAURENTIS CA  
Director

Dated this 22<sup>nd</sup> day of March 2024  
Perth, Western Australia

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME**

|                                                                                   | Note     | 31 December        |                    |
|-----------------------------------------------------------------------------------|----------|--------------------|--------------------|
|                                                                                   |          | 2023               | 2022               |
|                                                                                   |          | \$                 | \$                 |
| <b>Total revenue and other income</b>                                             | <b>6</b> | <b>10,564</b>      | <b>148</b>         |
| <b>Expenditure</b>                                                                |          |                    |                    |
| Administration costs                                                              |          | 48,953             | 43,548             |
| Employee costs                                                                    |          | 350,060            | 500,970            |
| Contractors and consultants                                                       |          | 377,152            | 392,988            |
| Exchange fluctuation                                                              |          | 3,087              | 992                |
| Travel                                                                            |          | 99,748             | 38,868             |
| Secretarial                                                                       |          | 162,547            | 187,168            |
| Insurances                                                                        |          | 62,259             | 44,028             |
| Investor relations                                                                |          | 288,345            | 173,181            |
| Share-based payments                                                              |          | 208,992            | 112,816            |
| Depreciation                                                                      |          | -                  | 4,829              |
| Other                                                                             |          | 4,391              | 1,785              |
| <b>Total expenditure</b>                                                          |          | <b>1,605,534</b>   | <b>1,501,173</b>   |
| <b>Loss before tax for year</b>                                                   |          | <b>(1,594,970)</b> | <b>(1,501,025)</b> |
| Income tax (expense)/benefit                                                      | <b>7</b> | -                  | -                  |
| <b>Net loss</b>                                                                   |          | <b>(1,594,970)</b> | <b>(1,501,025)</b> |
| <b>Net loss for the year</b>                                                      |          | <b>(1,594,970)</b> | <b>(1,501,025)</b> |
| <b>Items that have been or may be subsequently reclassified to profit or loss</b> |          |                    |                    |
| Translation reserve                                                               |          | (383,088)          | (76,388)           |
|                                                                                   |          | <b>(383,088)</b>   | <b>(76,388)</b>    |
| <b>Total comprehensive loss for the year</b>                                      |          | <b>(1,978,058)</b> | <b>(1,577,413)</b> |
| <b>Loss per share</b>                                                             | <b>8</b> |                    |                    |
| Basic earnings per share/cents                                                    |          | (1.85)             | (2.18)             |
| Diluted earnings per sharecents                                                   |          | (1.85)             | (2.18)             |

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|                                  | Note  | 31 December       |                  |
|----------------------------------|-------|-------------------|------------------|
|                                  |       | 2023              | 2022             |
|                                  |       | \$                | \$               |
| <b>Assets</b>                    |       |                   |                  |
| <b>Current assets</b>            |       |                   |                  |
| Cash and cash equivalents        | 10    | 1,314,109         | 721,766          |
| Receivables                      | 11    | 21,945            | 16,822           |
| Other                            | 12    | 2,217             | 2,316            |
| <b>Total current assets</b>      |       | <b>1,338,271</b>  | <b>740,904</b>   |
| <b>Non-current assets</b>        |       |                   |                  |
| Exploration and evaluation       | 13    | 9,932,524         | 8,890,924        |
| Property plant and equipment     | 14    | -                 | -                |
| <b>Total non-current assets</b>  |       | <b>9,932,524</b>  | <b>8,890,924</b> |
| <b>Total assets</b>              |       | <b>11,270,795</b> | <b>9,631,828</b> |
| <b>Liabilities</b>               |       |                   |                  |
| <b>Current liabilities</b>       |       |                   |                  |
| Payables                         | 15    | 84,525            | 121,083          |
| Provisions                       | 16    | 92,139            | 68,135           |
| <b>Total current liabilities</b> |       | <b>176,664</b>    | <b>189,218</b>   |
| <b>Total liabilities</b>         |       | <b>176,664</b>    | <b>189,218</b>   |
| <b>Net assets</b>                |       | <b>11,094,131</b> | <b>9,442,610</b> |
| <b>Equity</b>                    |       |                   |                  |
| Contributed equity               | 17    | 31,606,710        | 28,186,123       |
| Reserves                         | 18-20 | (624,450)         | (242,072)        |
| Accumulated losses               | 21    | (19,888,129)      | (18,501,441)     |
| <b>Total equity</b>              |       | <b>11,094,131</b> | <b>9,442,610</b> |

The accompanying notes form part of these financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                                                        | <b>Note 17<br/>Share<br/>Capital</b> | <b>Note 18<br/>Translation<br/>Reserve</b> | <b>Note 19<br/>Share-based<br/>Payments<br/>Reserve</b> | <b>Note 20<br/>Other<br/>Reserves</b> | <b>Note 21<br/>Accumulated<br/>Losses</b> | <b>Total<br/>Equity</b> |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------------|---------------------------------------------------------|---------------------------------------|-------------------------------------------|-------------------------|
|                                                                        | <b>\$</b>                            | <b>\$</b>                                  | <b>\$</b>                                               | <b>\$</b>                             | <b>\$</b>                                 | <b>\$</b>               |
| As at 31 December 2021                                                 | 24,786,898                           | (235,723)                                  | 350,464                                                 | 26,710                                | (17,268,367)                              | 7,659,982               |
| Transactions with owners in their capacity<br>as owners of the Company |                                      |                                            |                                                         |                                       |                                           |                         |
| Share issues                                                           | 3,427,377                            | -                                          | -                                                       | -                                     | -                                         | 3,427,377               |
| Equity raising costs                                                   | (180,152)                            | -                                          | -                                                       | -                                     | -                                         | (180,152)               |
| Conversion of performance rights into<br>ordinary shares               | 152,000                              |                                            | (152,000)                                               |                                       |                                           | -                       |
| Expired options over ordinary shares                                   | -                                    | -                                          | (267,951)                                               | -                                     | 267,951                                   | -                       |
| Share-based payments                                                   | -                                    | -                                          | 112,816                                                 | -                                     | -                                         | 112,816                 |
|                                                                        | 3,399,225                            | -                                          | (307,135)                                               | -                                     | 267,951                                   | 3,360,041               |
| Net loss for the year                                                  | -                                    | -                                          | -                                                       | -                                     | (1,501,025)                               | (1,501,025)             |
| Other comprehensive income                                             | -                                    | (76,388)                                   | -                                                       | -                                     | -                                         | (76,388)                |
| Total comprehensive income                                             | -                                    | (76,388)                                   | -                                                       | -                                     | (1,501,025)                               | (1,577,413)             |
| <b>As at 31 December 2022</b>                                          | <b>28,186,123</b>                    | <b>(312,111)</b>                           | <b>43,329</b>                                           | <b>26,710</b>                         | <b>(18,501,441)</b>                       | <b>9,442,610</b>        |
| Transactions with owners in their capacity<br>as owners of the Company |                                      |                                            |                                                         |                                       |                                           |                         |
| Share issues                                                           | 3,578,933                            | -                                          | -                                                       | -                                     | -                                         | 3,578,933               |
| Equity raising costs                                                   | (158,346)                            | -                                          | -                                                       | -                                     | -                                         | (158,346)               |
| Conversion of performance rights into<br>ordinary shares               | -                                    | -                                          | -                                                       | -                                     | -                                         | -                       |
| Expired options over ordinary shares                                   | -                                    | -                                          | (208,282)                                               | -                                     | 208,282                                   | -                       |
| Share-based payments                                                   | -                                    | -                                          | 208,992                                                 | -                                     | -                                         | 208,992                 |
|                                                                        | 3,420,587                            | -                                          | 710                                                     | -                                     | 208,282                                   | 3,629,579               |
| Net loss for the year                                                  | -                                    | -                                          | -                                                       | -                                     | (1,594,970)                               | (1,594,970)             |
| Other comprehensive income                                             | -                                    | (383,088)                                  | -                                                       | -                                     | -                                         | (383,088)               |
| Total comprehensive income                                             | -                                    | (383,088)                                  | -                                                       | -                                     | (1,594,970)                               | (1,978,058)             |
| Income and expense for the year<br>recognised directly in equity       | -                                    | -                                          | -                                                       | -                                     | -                                         | -                       |
| <b>As at 31 December 2023</b>                                          | <b>31,606,710</b>                    | <b>(695,199)</b>                           | <b>44,039</b>                                           | <b>26,710</b>                         | <b>(19,888,129)</b>                       | <b>11,094,131</b>       |

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

|                                                                        | Note | 31 December<br>2023 | 31 December<br>2022 |
|------------------------------------------------------------------------|------|---------------------|---------------------|
|                                                                        |      | \$                  | \$                  |
| <b>Cash flows from/(used) in operating activities</b>                  |      |                     |                     |
| Payments to employees and suppliers                                    |      | (1,406,183)         | (1,389,045)         |
| Interest received                                                      |      | 5,599               | 148                 |
| Net cash flows from/(used) in operating activities                     | 27   | <u>(1,400,584)</u>  | <u>(1,388,897)</u>  |
| <b>Cash flows from/(used) in investing activities</b>                  |      |                     |                     |
| Payments for exploration and evaluation                                |      | (1,424,573)         | (2,204,458)         |
| Net cash flows from/(used) in investing activities                     |      | <u>(1,424,573)</u>  | <u>(2,204,458)</u>  |
| <b>Cash flows from financing activities</b>                            |      |                     |                     |
| Proceeds from the issue of shares                                      |      | 3,578,933           | 3,427,377           |
| Equity raising costs                                                   |      | (158,346)           | (157,115)           |
| Exercise of options                                                    |      | -                   | -                   |
|                                                                        |      | <u>3,420,587</u>    | <u>3,270,262</u>    |
| <b>Net cash flows</b>                                                  |      | 595,430             | (323,093)           |
| <b>Cash and cash equivalents as at the start of the financial year</b> |      | 721,766             | 1,045,851           |
| <b>Exchange fluctuation</b>                                            |      | (3,087)             | (992)               |
| <b>Cash and cash equivalents as at the end of the financial year</b>   | 10   | <u>1,314,109</u>    | <u>721,766</u>      |

The accompanying notes form part of these financial statements

**Note 1 Corporate information**

The Financial Statements of AKORA Resources Limited and its controlled entities comprising Malagasy Holdings (Tratramarina Pty Ltd and its controlled entity Universal Exploration Madagascar sarl) and Malagasy Holdings (Bekisopa) Pty Ltd and its controlled entity Iron Ore Corporation of Madagascar sarl) for the financial year ended 31 December 2023.

The Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on 21 March 2024.

The parent entity is an entity incorporated in Australia limited by shares and listed on the Australian Securities Exchange.

The principal activities of the parent entity are exploration for ferrous metals.

**Note 2(a) Basis of preparation and accounting policies**

***Preparation***

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards Board (hereafter referred to as "AASB") standards and other authoritative pronouncements of the AASB and the *Corporations Act 2001*.

The financial report has been prepared on an historical cost basis.

The financial report is presented in Australian dollars.

The Statement of Comprehensive Income for both 2023 and 2022 covers the period 1 January to 31 December in each year.

***Statement of compliance***

The financial report complies with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards as issued by the International Accounting Standards Board.

***Going concern***

The Group recorded a net loss of \$1,594,970 (2022: \$1,051,025) and incurred cash outflows from operating and investing activities of \$2,825,157 for the year ended 31 December 2023 (2022: cash outflows of \$3,593,355). As at 31 December 2023, the Group had working capital of \$1,161,607. The Group had a working capital in the previous year of \$551,686.

The Group's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The Board believes that it has sufficient funding in place to meet its operating objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- the cash balance of the Company relative to its fixed and discretionary expenditure commitments;
- the fact that future exploration and evaluation expenditure is generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Company's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). Subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Company's working capital.

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

Should the Company be unable to raise sufficient funds, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

***Critical accounting estimates***

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

**Note 2(b) Capital management policy**

The goal of management is to ensure that the Group continues as a going concern whilst simultaneously managing the dilution. The Group seeks to add value through its exploration and evaluation activities so that new issues of shares can be undertaken at a premium to previous issues.

The Group is involved in high-risk exploration and therefore, it looks to raise equity rather than debt or quasi-equity instruments. Other forms of funding may be considered by the Board if and when project development activities commence.

**Note 2(c) Principles of consolidation**

The consolidated financial statements comprise the financial statements of AKORA Resources Limited and its controlled entities as at and for the period ended 31 December each year (the Group).

Controlled entities are those entities over which the Group has the power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies, in preparing and consolidated financial statements, all inter-parent entity balances, transactions, unrealised gains and losses resulting from the intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in controlled entities by AKORA Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges.

The acquisition of controlled entities is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the entity acquired. The identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values.

The difference between the identifiable assets acquired less the liabilities assumed and the fair value of the consideration is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent entity.

Total comprehensive income within a controlled entity is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a controlled entity that does not result in a loss of control, is accounted for as an equity transaction.

A change in the ownership interest of a controlled entity, without a loss of control, is accounted for as an equity transaction, if the Group loses control over a controlled entity, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the controlled entity;
- (ii) Derecognises the carrying amount of any non-controlling interest;
- (iii) Derecognises the cumulative translation differences recorded in equity;
- (iv) Recognises the fair value of the consideration received;
- (v) Recognises the fair value of any investment retained;
- (vi) Recognises any surplus or deficit in the Statement of Comprehensive Income statement; and
- (vii) Reclassifies the parent entity's share of components previously recognised in other comprehensive income to Statement of Comprehensive Income or retained earnings, as appropriate.

**Note 2(d) Foreign currency translation**

The financial report of the Group is presented in Australian dollars, which is the functional and presentation currency of the parent entity. Each entity in the Group determines its own functional currency.

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and the income statements for foreign operations are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

**Note 2(e) Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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

**Note 2(f)      Income tax**

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

The current tax charge is calculated on the basis of the tax laws acted or substantively enacted at the end of the reporting period.

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 financial report of the Group. Deferred income tax; however, is 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 and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the financial period 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 for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Comprehensive Income, 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.

**Note 2(g)      Leases**

The Group has applied AASB 16 *Leases* to its lease obligations. Under this new standard, the group is required to recognise all right of use assets and lease liabilities, except for short-term (12 months or fewer) and low value leases, on the balance sheet. The lease liability is initially measured at the present value of future lease payments for the lease term. Where a lease contains an extension option, the lease payments for the extension period will be included in the liability if the Group is reasonably certain that it will exercise the option. The liability includes variable lease payments that depend on an index or rate but excludes other variable lease payments. The right of use asset at initial recognition reflects the lease liability, initial direct costs and any lease payments made before the commencement date of the lease less any lease incentives and, where applicable, provision for dismantling and restoration.

The Group has recognised depreciation of right of use assets and interest on lease liabilities in the statement of comprehensive income over the lease term. Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest portion (which the Group presents in operating activities) in the cash flow statement.

The Group has measured the rights to use as if AASB 16 has applied since the commencement date of the lease arrangements and used the incremental borrowing rate at the date of transition. Under this approach the Group has capitalised the rights to use and recorded the present value of obligations to pay as a liability by applying a single incremental borrowing rate with an adjustment to the opening balance of accumulated losses.

The Group has assessed the financial implications of application of AASB 16 Leases and concluded that there is no impact.

**Note 2(h)      Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell

and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each financial period.

**Note 2(i) Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Note 2(j) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The amount of the impairment is recognised in Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent financial period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in Statement of Comprehensive Income.

**Note 2(k) Investments and other financial assets**

**Classification**

The Group classifies its financial assets in the following categories: financial assets at fair value through Statement of Comprehensive Income, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, re-evaluates this designation at the end of each financial period.

*(i) Financial assets at fair value through Statement of Comprehensive Income*

Financial assets at fair value through Statement of Comprehensive Income include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the financial period which are classified as non-current assets.

**Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

**Re-classification**

The Group may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for

financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

**Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through Statement of Comprehensive Income. Financial assets carried at fair value through Statement of Comprehensive Income, are initially recognised at fair value and transaction costs are expensed in Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to Statement of Comprehensive Income as gains and losses from investment securities.

**Subsequent measurement**

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through Statement of Comprehensive Income are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through Statement of Comprehensive Income' category are presented in Statement of Comprehensive Income within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in Statement of Comprehensive Income, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

**Impairment**

The Group assesses at the end of each financial period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in Statement of Comprehensive Income - is reclassified from equity and recognised in Statement of Comprehensive Income as a reclassification adjustment. Impairment losses recognised in Statement of Comprehensive Income on equity instruments classified as available-for-sale are not reversed through Statement of Comprehensive Income.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in Statement of Comprehensive Income.

**Note 2(I) Property, plant and equipment**

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Computer hardware and software 3 years
- Exploration equipment 5 years
- Motor vehicles 4 years
- Office furniture and fittings 5 years

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

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 Statement of Comprehensive Income. When revalued assets are sold, it is the Group's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

**Note 2(m) Exploration and evaluation expenditure**

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to Statement of Comprehensive Income as incurred, unless the board of directors conclude that a future economic benefit is more likely to be realised.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest are current and either:

- (i) the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale;
- (ii) the exploration and evaluation activities in the area of interest have not at the end of a financial period reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to this reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

***Impairment***

The carrying amount of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in Statement of Comprehensive Income.

**Note 2(n) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 2(o) Provisions**

Provisions for legal claims 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 has been 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 financial period. 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.

**Note 2(p) Employee benefits**

*(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

*(ii) Other long-term employee benefit obligations*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits. These long-term benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*(iii) Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**Note 2(q) Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Group reacquires its own equity instruments, for example, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in Statement of Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

**Note 2(r) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the financial period.

**Note 2(s) Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

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

**Note 2(t) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting structure provided to the board of directors, the chief operating decision making body, which is responsible for the allocation of resources and performance assessment of the operating segments.

**Note 2(u) New Accounting Standards for Application in Future Periods**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2023.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

*Standards and Interpretations in issue not yet adopted*

At the date of authorisation of the financial statements, the Group has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Group's accounting policies, however further analysis will be performed when the relevant standards are effective.

**Note 3 Significant accounting judgments and estimates**

The preparation of the Group's financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below.

(i) *Functional currency*

The functional currency of foreign operations has been determined as Australian dollars. This outcome has resulted from examination of the prevailing facts and circumstances, including the basis on which the entities incur obligations for exploration and evaluation activities and the basis on which the foreign operations are funded.

(ii) *Exploration and evaluation expenditure*

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a resource, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code 2012 Edition, is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about the future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure. In the judgement of the Directors, at 31 December 2023 exploration activities in each area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in relation to each area of interest are continuing and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved. The Directors are continually monitoring the areas of interest and are exploring alternatives for funding the development of areas of interest when economically recoverable reserves are confirmed.

If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or exploration activities in the area have ceased, the amount capitalised is written off in Statement of Comprehensive Income in the period when the new information becomes available.

**Note 4 Financial risk management objectives and policies**

The Group's principal financial instruments comprise of cash and short-term deposits and other financial assets. The main purpose of these financial instruments is to invest funds raised by the Group until utilised in exploration activities.

The Group has other financial instruments such as current receivables and payables arising from corporate activities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Chief Financial Officer is responsible for the management of the Group's financial risk. The Chief Financial Officer updates the board of directors regularly on financial risk management measures that he implements.

Risk exposures and responses

*Interest rate risk*

The Group is exposed to market interest rates on moneys it has deposited with Australian banking institutions in form of short-term deposits.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Chief Financial Officer is responsible for the management of the Group's financial risk in consultation with the board of directors. The Chief Financial Officer updates the board of directors regularly on financial risk management measures that he implements.

|                           | <b>31 December</b> |             |
|---------------------------|--------------------|-------------|
|                           | <b>2023</b>        | <b>2022</b> |
|                           | <b>\$</b>          | <b>\$</b>   |
| Cash and cash equivalents | <b>1,314,109</b>   | 721,766     |

At the end of the financial period, the Group had no financial liabilities exposed to variable interest rate risks.

The Group's cash management policy is to invest surplus funds at the best available rate received from Westpac Banking Corporation.

Set out below is a sensitivity analysis of the financial implications of interest rate risk exposure as at the end of the financial year. If interest rates had moved, with all other variables constant, profit after tax and equity would have been:

|                         | <b>2023</b>   | <b>2022</b> |
|-------------------------|---------------|-------------|
|                         | <b>\$</b>     | <b>\$</b>   |
| <b>Profit after tax</b> |               |             |
| <b>Higher/(lower)</b>   |               |             |
| +1% (100 basis points)  | <b>23,718</b> | 9,722       |
| -1% (100 basis points)  | <b>3,359</b>  | (7,954)     |
| <b>Equity</b>           |               |             |
| <b>Higher/(lower)</b>   |               |             |
| +1% (100 basis points)  | <b>23,718</b> | 9,574       |
| -1% (100 basis points)  | <b>3,359</b>  | (8,102)     |

The movement in equity is directly linked to the movement in the Statement of Comprehensive Income as the Group does not undertake any interest rate hedging.

*Foreign currency risk*

The Group incurs US dollar denominated consulting and contracting costs on exploration work programmes and transfers US dollars to Madagascar to extinguish day-to-day country costs. At balance date, the obligations outstanding in US dollars are recorded as payables in the Statement of Financial Position. The Group will continue to incur US dollar financial obligations into the future and the *Banque Centrale de Malgache* has mandated through its regulatory role to limit the number of foreign currencies in which Malagasy entities can conduct business to Euros and US dollars.

As at 31 December 2023, the Group had US dollar payables of US\$10,765 or A\$15,738 (2022: US\$43,099 or A\$63,335). The Group holds its cash balances in Australian and US dollars.

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:

|                           | 31 December |         |
|---------------------------|-------------|---------|
|                           | 2023        | 2022    |
|                           | \$          | \$      |
| <b>Profit after tax</b>   |             |         |
| <b>Higher/(lower)</b>     |             |         |
| +5% AUD/USD exchange rate | (15,980)    | (1,374) |
| -5% AUD/USD exchange rate | 7,501       | 5,003   |
| <b>Equity</b>             |             |         |
| <b>Higher/(lower)</b>     |             |         |
| +5% AUD/USD exchange rate | (15,980)    | (1,374) |
| -5% AUD/USD exchange rate | 7,501       | 5,003   |

*Commodity price risk*

Presently, the principal activities of the Group are the exploration and evaluation of ferrous-based minerals in Madagascar and, as at the date of this financial report, does not have any commodity price risk exposure from the production of ferrous-based minerals.

*Credit risk*

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and other receivables. The parent entity invests only in short-term deposits with institutions that have AA /A-1+ with a stable outlook rating. In Madagascar, the Group banks with *Banque Malgache de l'Océan Indien*, a banking institution controlled by *Banque populaire-Caisse d'épargne*. BPCE is rated A+/A-1+ with a stable outlook rating. The Group maintains minimal cash balances in its Malagasy controlled entities.

Current receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

*Concentration risk*

The Group does not have any concentration risk.

*Liquidity risk*

Liquidity risk arises from the financial liabilities of the Group and the ability of the Group to meet these obligations as and when they fall due.

The Group does not have any external borrowings; however, the Group will need additional equity funds in order to explore and evaluate its ferrous-based minerals in Madagascar.

The maturity analysis of financial assets and financial liabilities is set out below:

| Year ended 31 December 2023  |                  |               |               |                |                  |
|------------------------------|------------------|---------------|---------------|----------------|------------------|
|                              | 0-30<br>Days     | 31-60<br>Days | 61-90<br>Days | 91-180<br>Days | Total            |
| <b>Financial assets</b>      |                  |               |               |                |                  |
| Cash and cash equivalents    | 1,314,109        | -             | -             | -              | 1,314,109        |
| Receivables                  | 21,945           | -             | -             | -              | 21,945           |
| Other current assets         | 2,217            | -             | -             | -              | 2,217            |
|                              | <u>1,338,271</u> | <u>-</u>      | <u>-</u>      | <u>-</u>       | <u>1,338,271</u> |
| <b>Financial liabilities</b> |                  |               |               |                |                  |
| Payables                     | (84,525)         | -             | -             | -              | (84,525)         |
| Other payables               | -                | -             | -             | -              | -                |
| Net maturity                 | <u>1,253,746</u> | <u>-</u>      | <u>-</u>      | <u>-</u>       | <u>1,253,746</u> |
| Year ended 31 December 2022  |                  |               |               |                |                  |
|                              | 0-30<br>Days     | 31-60<br>Days | 61-90<br>Days | 91-180<br>Days | Total            |
| <b>Financial assets</b>      |                  |               |               |                |                  |
| Cash and cash equivalents    | 721,764          | -             | -             | -              | 721,764          |
| Receivables                  | 16,822           | -             | -             | -              | 16,822           |
| Other current assets         | 2,316            | -             | -             | -              | 2,316            |
|                              | <u>740,902</u>   | <u>-</u>      | <u>-</u>      | <u>-</u>       | <u>740,902</u>   |
| <b>Financial liabilities</b> |                  |               |               |                |                  |
| Payables                     | (121,083)        | -             | -             | -              | (121,083)        |
| Other payables               | -                | -             | -             | -              | -                |
| Net maturity                 | <u>619,819</u>   | <u>-</u>      | <u>-</u>      | <u>-</u>       | <u>619,819</u>   |

*Fair values*

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised as amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

**Note 5 Segment reporting**

The group operates solely in the mineral exploration industry and is focused on iron ore exploration.

The Group has identified two geographical segments – Australia and Madagascar. All corporate activities, equity raising related activities and project management is conducted in Australia whilst all exploration activities are conducted in Madagascar.

|                            | Financial Year 2023 |            |             |
|----------------------------|---------------------|------------|-------------|
|                            | Australia           | Madagascar | Total       |
| <b>Revenue</b>             | 10,564              | -          | 10,564      |
| <b>Segment result</b>      | (1,584,208)         | (7,675)    | (1,591,883) |
| <b>Unallocated costs</b>   |                     |            |             |
| Exchange fluctuation       |                     |            | (3,087)     |
| <b>Net loss after tax</b>  |                     |            | (1,594,970) |
| <b>Segment assets</b>      |                     |            |             |
| Cash and cash equivalents  | 1,280,457           | 33,652     | 1,314,109   |
| Receivables                | 21,945              | -          | 21,945      |
| Other                      | -                   | 2,217      | 2,217       |
| Exploration and evaluation | -                   | 9,932,524  | 9,932,524   |
|                            | 1,302,402           | 9,968,393  | 11,270,795  |
| <b>Segment liabilities</b> |                     |            |             |
| Payables                   | 81,700              | 2,825      | 84,525      |
| Provisions                 | 92,139              | -          | 92,139      |
|                            | 173,839             | 2,825      | 176,664     |
| <b>Net assets</b>          | 1,128,563           | 9,965,568  | 11,094,131  |
| <b>Capital expenditure</b> |                     |            |             |
| Exploration and evaluation | -                   | 1,041,600  | 1,041,600   |
| Impairment                 | -                   | -          | -           |
|                            | -                   | 1,041,600  | 1,041,600   |
|                            | Financial Year 2022 |            |             |
|                            | Australia           | Madagascar | Total       |
| <b>Revenue</b>             | 148                 | -          | 148         |
| <b>Segment result</b>      | (1,394,736)         | (105,297)  | (1,500,033) |
| <b>Unallocated costs</b>   |                     |            |             |
| Exchange fluctuation       |                     |            | (992)       |
| <b>Net loss after tax</b>  |                     |            | (1,501,025) |
| <b>Segment assets</b>      | 677,131             | 44,635     | 721,766     |
| Cash and cash equivalents  | 16,822              | -          | 16,822      |
| Receivables                | -                   | 2,316      | 2,316       |
| Other                      | -                   | -          | -           |
| Fixed assets               | -                   | 8,890,924  | 8,890,924   |
| Exploration and evaluation | 693,953             | 8,937,875  | 9,631,828   |
| <b>Segment liabilities</b> | 121,083             | -          | 121,083     |
| Payables                   | 68,135              | -          | 68,135      |
| Provisions                 | 189,218             | -          | 189,218     |
|                            | 504,735             | 8,937,875  | 9,442,610   |
| <b>Net assets</b>          | -                   | 1,675,840  | 1,675,840   |
| <b>Capital expenditure</b> | -                   | -          | -           |
| Exploration and evaluation | -                   | 1,675,840  | 1,675,840   |
| Impairment                 | -                   | -          | -           |
|                            | -                   | 1,675,840  | 1,675,840   |

**Note 6      Total revenue and other income**

|                                 | <b>31 December</b> |             |
|---------------------------------|--------------------|-------------|
|                                 | <b>2023</b>        | <b>2022</b> |
|                                 | <b>\$</b>          | <b>\$</b>   |
| <b>Other income</b>             |                    |             |
| Interest on short-term deposits | <b>10,564</b>      | 148         |

**Note 7      Income tax**

|                                                                                  | <b>31 December</b> |             |
|----------------------------------------------------------------------------------|--------------------|-------------|
|                                                                                  | <b>2023</b>        | <b>2022</b> |
|                                                                                  | <b>\$</b>          | <b>\$</b>   |
| Accounting profit/(loss)                                                         | <b>(1,594,970)</b> | (1,501,025) |
| At the statutory income tax rate<br>applicable to the Company 30% (2022: 27.5%)  | <b>478,491</b>     | 412,782     |
| Tax losses for the current year for which<br>no deferred tax asset is recognised | <b>(424,920)</b>   | (315,668)   |
| Depreciation                                                                     | -                  | (1,328)     |
| Exchange fluctuation                                                             | <b>(926)</b>       | (273)       |
| Equity raising costs                                                             | <b>59,725</b>      | -           |
| Legal fees                                                                       | <b>(30,681)</b>    |             |
| Listing costs                                                                    | -                  | (46,039)    |
| Provisions                                                                       | <b>(7,201)</b>     | (4,656)     |
| Share-based payments                                                             | <b>(62,488)</b>    | (31,068)    |
| Other                                                                            | <b>(12,000)</b>    | (13,750)    |
| Income tax (expense)/benefit                                                     | <b>-</b>           | -           |

Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable taxable profits will be available against which the unused tax losses/credits can be utilised.

|                                                                                                                                                | 31 December      |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                                | 2023             | 2022             |
|                                                                                                                                                | \$               | \$               |
| <b>Deferred tax assets</b>                                                                                                                     |                  |                  |
| Tax losses                                                                                                                                     | 758,952          | 578,853          |
| Provisions and accruals                                                                                                                        | 19,201           | 18,406           |
| Other                                                                                                                                          | 65,861           | 47,640           |
|                                                                                                                                                | <u>844,014</u>   | <u>644,899</u>   |
| Set-off deferred tax liabilities                                                                                                               | -                | -                |
| Net deferred tax assets                                                                                                                        | 844,014          | 644,899          |
| less Deferred tax assets not recognised                                                                                                        | <u>(844,014)</u> | <u>(644,899)</u> |
| Net tax assets                                                                                                                                 | -                | -                |
| <b>Deferred tax liabilities</b>                                                                                                                |                  |                  |
| Exploration expenditure                                                                                                                        | -                | -                |
| Set-off deferred tax assets                                                                                                                    | -                | -                |
| net deferred tax liabilities                                                                                                                   | <u>-</u>         | <u>-</u>         |
| <b>Tax losses</b>                                                                                                                              |                  |                  |
| <i>The tax-effect of unused tax losses for which no deferred tax asset has been recognised that may be utilised to offset tax liabilities:</i> |                  |                  |
| Revenue losses                                                                                                                                 | 2,494,511        | 2,151,114        |
| Capital losses                                                                                                                                 | 759,678          | 759,678          |
|                                                                                                                                                | <u>3,254,189</u> | <u>2,910,792</u> |

The Group reviewed its tax losses in Madagascar and noted that there is a likelihood that exploration and evaluation expenditures under a Research Permit may not be recoverable.

**Note 8 Loss per share**

|                                                                                                         | 31 December        |                    |
|---------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                         | 2023               | 2022               |
|                                                                                                         | \$                 | \$                 |
| Loss from continuing operations for the year                                                            | <u>(1,594,970)</u> | <u>(1,501,025)</u> |
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS | 86,254,108         | 68,786,195         |
| Basic and diluted loss per share (cents per share)                                                      | (1.85)             | (2.18)             |

As at 31 December 2023, the Group has 14,699,213 unissued shares under options (December 2022: 1,950,000) on issue. The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option were non-dilutive.

**Note 9 Dividends paid and proposed**

No dividends were paid during the financial year and no dividend is proposed to be paid as at the end of the financial year, 31 December 2023.

**Note 10 Cash and cash equivalents**

|              | 31 December      |                |
|--------------|------------------|----------------|
|              | 2023             | 2022           |
|              | \$               | \$             |
| Cash in hand | -                | -              |
| Cash at bank | 1,314,109        | 721,766        |
|              | <b>1,314,109</b> | <b>721,766</b> |

**Note 11 Receivables-current**

|                   | 31 December |        |
|-------------------|-------------|--------|
|                   | 2023        | 2022   |
|                   | \$          | \$     |
| GST input credits | 21,945      | 16,822 |

Receivables are non-interest bearing and are generally on 30 to 90-day terms.

**Note 12 Other current assets**

|       | 31 December |       |
|-------|-------------|-------|
|       | 2023        | 2022  |
|       | \$          | \$    |
| Bonds | 2,217       | 2,316 |

**Note 13 Exploration and evaluation**

|                            | 31 December      |                  |
|----------------------------|------------------|------------------|
|                            | 2023             | 2022             |
|                            | \$               | \$               |
| At start of financial year | 8,890,924        | 7,215,084        |
| Additions                  | 1,414,146        | 1,732,875        |
| Exchange fluctuation       | (372,546)        | (57,035)         |
| At end of financial year   | <b>9,932,524</b> | <b>8,890,924</b> |

*The carrying value of exploration and evaluation expenditure at balance date is represented by the following projects:*

|              |                  |                  |
|--------------|------------------|------------------|
| Ambodilafa   | 1,475,511        | 1,919,496        |
| Bekisopa     | 7,775,276        | 6,411,376        |
| Tratramarina | 681,737          | 560,052          |
|              | <b>9,932,524</b> | <b>8,890,924</b> |

**Ambodilafa Farm-in Agreement**

On 22 August 2012, the Company entered into a Farm-in Agreement with Jubilee Platinum plc which entitled the Company to earn a 90% interest in commodities other than platinum group elements, London Metal exchange traded metals and chrome.

Under the Farm-in Agreement, the Company will earn its interest in the commodities in three stages:

- Stage 1 US\$1.0 million expenditure 51%
- Stage 2 US\$1.0 million expenditure 81% (cumulative)
- Stage 3 US\$1.0 million expenditure 90% (cumulative)

The Company is required to give notice to Jubilee each time it has expended US\$1.0 million under the Farm-in Agreement. Jubilee has 30 days from the date of notice to inform the Company whether it wishes to take the unearned interest available to it through jointly funding all future work programmes. If Jubilee does not elect to take the unearned interest, the Company has automatic rights to move the next stage and earn additional interest in the commodities. Under the Farm-in Agreement the Company will have sole and exclusive rights to explore the Ambodilafa tenements in each stage.

Where the Company has earned a 90% interest in the commodities and Jubilee does not elect to take up the unearned interest, the Company has a right to buy-out the unearned interest for \$1.5 million through either shares or cash or a royalty or a combination of these methods.

As at balance date, 31 December 2023 the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement.

In October 2017, the Ministry of Mines lifted the moratorium on the renewal, transfer and transformation of existing tenements; however, the progress in addressing the backlog has been slow. Malagasy counsel for the Company has concluded that the renewal and transformation applications submitted to the BCMM for permits held by the Company and confirmed that in each case the application was made in a form, which was acceptable to the BCMM and is deemed to hold beneficial title to these tenements. Accordingly, Malagasy counsel see no evidence, which would suggest that the Ministry of Mines would withhold its approval in respect of the renewal of the permits concerned and at this point in time the company has access to these tenements.

The BCMM advised tenement holders that it would not cancel any tenements that renewal fees became in arrears as a result of the failure of the government to grant, renew or transform tenements. The decision by the Company was consistent with other miners and explorers who have demanded the government address the shortcomings of previous administrations. On 9 September 2023, the Company paid all outstanding annual administration fees (*frais d'administration annuel*) for 2023 calendar year. (The BCMM had delayed the issue of administration fees until the new Mining Code was approved.)

All administration fees levied on the tenements held by the Group's Malagasy entities have been paid, in full, up to and including 31 December 2023.

The value of the Group's exploration and evaluation expenditure is dependent on the ability of the Company to obtain further funding to enable it to:

- continue exploration in the areas of interest;
- meet tenement renewal payments to continue to satisfy rights to tenure; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively by their sale.

**Note 14 Property plant and equipment**

|                          | <b>31 December</b> |             |
|--------------------------|--------------------|-------------|
|                          | <b>2023</b>        | <b>2022</b> |
|                          | <b>\$</b>          | <b>\$</b>   |
| Cost                     |                    |             |
| Opening balance          | <b>14,858</b>      | 15,062      |
| Additions                | -                  | -           |
| Exchange fluctuation     | <b>(141)</b>       | (204)       |
| Closing balance          | <b>14,717</b>      | 14,858      |
| Accumulated depreciation |                    |             |
| Opening balance          | <b>14,858</b>      | 10,250      |
| Depreciation             | -                  | 4,829       |
| Exchange fluctuation     | <b>(141)</b>       | (221)       |
| Closing balance          | <b>14,717</b>      | 14,858      |
| Net carrying value       | -                  | -           |

**Note 15 Payables-current**

|                | <b>31 December</b> |             |
|----------------|--------------------|-------------|
|                | <b>2023</b>        | <b>2022</b> |
|                | <b>\$</b>          | <b>\$</b>   |
| Trade payables | <b>44,525</b>      | 86,083      |
| Other payables | <b>40,000</b>      | 35,000      |
|                | <b>84,525</b>      | 121,083     |

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are also non-interest bearing and have an average term of 30 days. Due to the short-term nature of these payables, the carrying amounts recorded in the financial statements for trade payables.

**Note 16 Provisions-current**

|              | <b>31 December</b> |             |
|--------------|--------------------|-------------|
|              | <b>2023</b>        | <b>2022</b> |
|              | <b>\$</b>          | <b>\$</b>   |
| Annual leave | <b>92,139</b>      | 68,135      |

**Note 17 Capital**

**(a) Equity**

|                                                                                              | <b>Number</b>     | <b>\$</b>         |
|----------------------------------------------------------------------------------------------|-------------------|-------------------|
| At 31 December 2021                                                                          | 61,036,719        | 24,786,898        |
| Exercise of options IPO Subscribers                                                          | 686,998           | 206,100           |
| Share Placement Tranche 1                                                                    | 7,922,115         | 2,535,077         |
| Share Placement Tranche 2                                                                    | 2,144,375         | 686,200           |
| Conversion of performance rights into fully paid ordinary shares on achievement of milestone | 400,000           | 152,000           |
|                                                                                              | 11,153,488        | 3,579,377         |
| Equity raising costs                                                                         | -                 | (180,152)         |
|                                                                                              | 11,153,488        | 3,399,225         |
| <b>At 31 December 2022</b>                                                                   | <b>72,190,207</b> | <b>28,186,123</b> |
| <b>Share Placement (1 May 2023)</b>                                                          | <b>4,956,250</b>  | <b>793,000</b>    |
| <b>Share Placement (25 May 2023)</b>                                                         | <b>3,394,157</b>  | <b>475,182</b>    |
| <b>Rights Issue</b>                                                                          | <b>14,442,197</b> | <b>2,310,751</b>  |
|                                                                                              | 22,792,604        | 3,578,933         |
| Equity raising costs                                                                         | -                 | (158,346)         |
|                                                                                              | 22,792,604        | 3,420,587         |
| <b>At 31 December 2023</b>                                                                   | <b>94,982,811</b> | <b>31,606,710</b> |

*Ordinary shares*

Ordinary shares have the rights to receive dividends as declared and, in the event of winding up, participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, the shares held.

Each fully paid ordinary share carries one vote.

Ordinary shares issued to shareholders since incorporation have had no par value.

**(b) Options**

The total number of options over ordinary shares on issue at balance date:

|                                               | <b>31 December</b> |              |
|-----------------------------------------------|--------------------|--------------|
|                                               | <b>2023</b>        | <b>2022</b>  |
|                                               | <b>No</b>          | <b>No</b>    |
| Unlisted options over ordinary shares         |                    |              |
| Opening balance                               | 1,950,000          | 10,837,016   |
| Exercised                                     | -                  | -            |
| ESOP                                          | -                  | 1,950,000    |
| Issued pursuant to Share placement            | 2,478,125          | -            |
| Issued pursuant to Rights issue               | 7,221,088          | -            |
| Issued pursuant to Corporate Advisory Mandate | 5,000,000          | -            |
| Cancelled/expired                             | (1,950,000)        | (10,837,016) |
| Closing balance                               | 14,699,213         | 1,950,000    |

**(c) Capital management**

*(i) Capital management policy*

The objectives of the board of directors when managing capital is to ensure that the Group can fund its exploration and corporate activities as a going concern in order to benefit stakeholders.

The business of the Group is an early, stage mineral exploration. As a consequence, the Group does not have access to credit facilities and therefore, its primary source of funding is equity raisings. The capital risk management for the Group is to ensure it has sufficient working capital in order to ensure its exploration tenements obligations in Madagascar can be extinguished as and when required and ensure its corporate obligations are minimised.

*(ii) Working capital position*

The working capital position of the group as at 31 December 2023 and 31 December 2022 was as follows:

|                             | <b>31 December</b> |             |
|-----------------------------|--------------------|-------------|
|                             | <b>2023</b>        | <b>2022</b> |
|                             | <b>\$</b>          | <b>\$</b>   |
| Cash and cash equivalents   | <b>1,314,109</b>   | 721,766     |
| Trade and other receivables | <b>21,945</b>      | 16,822      |
| Financial assets            | <b>2,217</b>       | 2,316       |
| Trade and other payables    | <b>(84,525)</b>    | (121,083)   |
| Provisions                  | <b>(92,139)</b>    | (68,135)    |
|                             | <b>1,161,607</b>   | 551,686     |

*(iii) Current assets to current liabilities ratio*

The current assets to current liabilities as at 31 December 2023 and 31 December 2022 was as follows:

|                                    | <b>31 December</b> |             |
|------------------------------------|--------------------|-------------|
|                                    | <b>2023</b>        | <b>2022</b> |
|                                    | <b>\$</b>          | <b>\$</b>   |
| Current assets                     | <b>1,338,271</b>   | 740,904     |
| Current liabilities                | <b>176,664</b>     | 189,218     |
| Current assets:current liabilities | <b>7.58</b>        | 3.92        |

**Note 18**

**Translation reserve**

|                                                                                   | <b>31 December</b> |             |
|-----------------------------------------------------------------------------------|--------------------|-------------|
|                                                                                   | <b>2023</b>        | <b>2022</b> |
|                                                                                   | <b>\$</b>          | <b>\$</b>   |
| Opening balance at start of financial year                                        | <b>(312,111)</b>   | (235,723)   |
| Translation of foreign currency financial statements into the functional currency | <b>(383,088)</b>   | (76,388)    |
| Closing balance at end of financial year                                          | <b>(695,199)</b>   | (312,111)   |

**Note 19 Share-based payments**

**(a) Total number of options on issue**

(b) The number of options outstanding as at 31 December 2023 as are follows:

| Issue date  | Expiry date                     | Exercise Price | Option Number     |
|-------------|---------------------------------|----------------|-------------------|
| 25 May 2023 | 25 May 2026 (Placement)         | \$0.2500       | 2,478,125         |
| 25 May 2023 | 25 May 2026 (Rights Issue)      | \$0.2500       | 7,221,088         |
| 18 Oct 2023 | 25 May 2026 (Corporate Advisor) | \$0.2500       | 5,000,000         |
|             |                                 |                | <u>14,699,213</u> |

The number of options outstanding as at 31 December 2022 as are follows:

| Issue date  | Expiry date             | Exercise Price | Option Number    |
|-------------|-------------------------|----------------|------------------|
| 17 May 2022 | 17 May 2026 (Tranche 1) | \$0.4500       | 650,000          |
| 17 May 2022 | 17 May 2026 (Tranche 2) | \$0.5500       | 650,000          |
| 17 May 2022 | 17 May 2026 (Tranche 3) | \$0.6500       | 650,000          |
|             |                         |                | <u>1,950,000</u> |

On 17 May 2022, shareholders approved the granted of 1,950,000 options over ordinary shares to Executive Directors of the Company divided into three tranches of 650,000 options over ordinary shares at various exercise prices.

Options over ordinary shares previously issued to Executive Directors were cancelled during the financial year with the Company seeking to secure from shareholders an alternative management incentive plan.

**(c) Share-based payments reserve**

**Options**

|                                                                                                          | <b>31 December</b> |             |
|----------------------------------------------------------------------------------------------------------|--------------------|-------------|
|                                                                                                          | <b>2023</b>        | <b>2022</b> |
|                                                                                                          | <b>\$</b>          | <b>\$</b>   |
| Opening balance at start of the financial year                                                           | <b>43,329</b>      | 268,111     |
| Charged to profit and loss                                                                               | <b>208,992</b>     | 43,329      |
| Transfer from Share-based payments Reserve options over ordinary shares that have been cancelled/expired | <b>(208,282)</b>   | (268,111)   |
| Closing balance at end of financial year                                                                 | <b>44,039</b>      | 43,329      |

On 17 May 2022, shareholders approved the granted of 1,950,000 options over ordinary shares to Executive Directors of the Company divided into three tranches of 650,000 options over ordinary shares at various exercise prices.

1,950,000 options over ordinary shares will vest over a three-year period commencing 17 May 2023 and expiry four years after the date of grant by shareholders.

Pursuant to a Letter of Engagement with Harbury Advisors Pty Ltd, the Company granted Harbury 2,244,750 options over ordinary shares with an exercise price of 30 cents per option over ordinary share and an expiry date two years from the date of the completion of the IPO raising.

The options over ordinary shares granted to Harbury Advisors Pty Ltd expired on 7 December 2022 without being exercised.

The fair value of the options over ordinary shares granted to Harbury Advisors Pty Ltd have been valued using a Black-Scholes methodology:

|                                      | <b>31 December</b>   |               |
|--------------------------------------|----------------------|---------------|
|                                      | <b>2023</b>          | <b>2022</b>   |
| Exercise price (cents)               | <b>25</b>            | 45-65         |
| Term                                 |                      | 5 years       |
| Share price at date of grant (cents) | <b>16</b>            | 22            |
| Risk-free rate                       | <b>3.62%</b>         | 3.38%         |
| Volatility                           | <b>100%</b>          | 100%          |
| Model used                           | <b>Black-Scholes</b> | Black-Scholes |
| Value per share (cents)              | <b>5.94</b>          | 10.68         |
| Number of options                    | <b>5,000,000</b>     | 1,950,000     |
| Total value/\$                       | <b>296,890</b>       | 208,282       |

The weighted average remaining contractual life for the options over ordinary shares outstanding as at 31 December 2023 was 2.4 years (2022: 3.4 years)

The weighted average fair value of options over ordinary shares granted during the financial year was 5.94cents (2022:10.68 cents).

The following table sets out the number and weighted average exercise prices of, and movements in, options over ordinary shares during the financial year.

|                 | <b>31 December 2023</b>  |                               | <b>31 December 2022</b>  |                               |
|-----------------|--------------------------|-------------------------------|--------------------------|-------------------------------|
|                 | <b>Number of Options</b> | <b>Weighted Average Price</b> | <b>Number of Options</b> | <b>Weighted Average Price</b> |
| Opening balance | <b>1,950,000</b>         | <b>0.1068</b>                 | 2,244,750                | 0.1194                        |
| Options:        |                          |                               |                          |                               |
| Granted         | <b>5,000,000</b>         | <b>0.0594</b>                 | 1,950,000                | 0.1068                        |
| Cancelled       | <b>(1,950,000)</b>       | <b>0.1068</b>                 | -                        | -                             |
| Expired         | -                        | -                             | (2,244,750)              | 0.1194                        |
| Closing balance | <b>5,000,000</b>         | <b>0.0594</b>                 | 1,950,000                | 0.1068                        |

The Group has not issued any options over ordinary shares to employees.

### **Performance rights**

|                                                                                       | <b>31 December</b> |             |
|---------------------------------------------------------------------------------------|--------------------|-------------|
|                                                                                       | <b>2023</b>        | <b>2022</b> |
|                                                                                       | <b>\$</b>          | <b>\$</b>   |
| Opening balance at start of the financial year                                        | -                  | 82,353      |
| Fair value of performance rights awarded to Chairman pursuant to terms and conditions | -                  | 69,647      |
| Conversion of performance rights during the year on achievement of milestones         | -                  | (152,000)   |
| Closing balance at end of financial year                                              | -                  | -           |

*MH Stirzaker*

On 13 April 2021, shareholders approved the award 400,000 performance rights to Mr MH Stirzaker the award milestone being the continuation of employment as a director of the Company for 2 years from the date of execution of the Letter of Appointment, 20 August 2020.

On 4 September 2022, the Company converted the performance rights into fully paid ordinary shares at a fair value of 32 cents per fully paid ordinary share.

**Note 20 Other reserves**

|                                              | <b>31 December</b> |             |
|----------------------------------------------|--------------------|-------------|
|                                              | <b>2023</b>        | <b>2022</b> |
|                                              | <b>\$</b>          | <b>\$</b>   |
| Opening balance at start of financial year   | <b>26,710</b>      | 26,710      |
| Transaction with non-controlling interest    | -                  | -           |
| Closing balance at end of the financial year | <b>26,710</b>      | 26,710      |

On 25 July 2020, the Company completed negotiations for the acquisition of the 25% equity interest held by Cline Mining Corporation, an entity incorporated under the laws of the Commonwealth of British Columbia, of Iron Ore Corporation of Madagascar sarl, an entity incorporated in the Republic of Madagascar.

Pursuant to the Shareholders Agreement, the Group is required to fund all expenditures by way of loans to Iron Ore Corporation Of Madagascar sarl until the payment of the Second Instalment set out in the Share Sale and Purchase Agreement and assign 25% of the loans made to Cline Mining Corporation.

Following the payment of the Second Instalment, both shareholders of IOCM must fund their share of expenditure by way of interest-free loans in proportion to their respective interests in the uncertificated shares of IOCM. The Group extinguished its obligation to pay the Second Instalment on 13 December 2019 and accordingly, Cline was required to fund its share of expenditure from 1 January 2020.

Under the Shareholders Agreement if a party fails to fund its share of the Cash Call made by IOCM to fund its expenditure, the non-defaulting shareholder can serve a Notice of Default on the defaulting shareholder and, if the defaulting does not rectify its default within 60 days, the non-defaulting share is entitled to exercise its right to dilute the defaulting shareholder by 50% of each default. Where the defaulting shareholder's equity interest falls below 5%, the defaulting shareholder is required to assign its equity interest and its shareholder loans to the non-defaulting shareholder for zero consideration and accordingly, will have no rights to any assets or obligation for any liabilities in IOCM.

Cline had informed the Company that it was not in a position to fund its share of Cash Calls made by IOCM in accordance with the Shareholders Agreement on 13 December 2019 which meant that the Company was continued to fund expenditure for and on behalf of Cline through to completion of the negotiation for the acquisition of the 25% equity interest in IOCM.

|                                                                                                      | <b>Fair Value</b> |
|------------------------------------------------------------------------------------------------------|-------------------|
|                                                                                                      | <b>\$</b>         |
| Fair value of shares issued to Cline for acquisition of 25% equity interest in IOCM                  | 108,108           |
| Share capital                                                                                        | 2,552             |
| Reserves                                                                                             | 62,893            |
| Accumulated losses                                                                                   | (68,091)          |
|                                                                                                      | (2,646)           |
| Loans contributed by the Company and assigned to Cline pursuant to Share sale and Purchase Agreement | 137,464           |
| Carrying value of non-controlling interest                                                           | 134,818           |
| Reserve recognised on transaction with non-controlling interest                                      | (26,710)          |

**Note 21 Accumulated losses**

|                                                                                                           | 31 December  |              |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                           | 2023         | 2022         |
|                                                                                                           | \$           | \$           |
| Balance at start of the financial year                                                                    | (18,501,441) | (17,268,367) |
| Net loss for the year                                                                                     | (1,594,970)  | (1,501,025)  |
| Transfer to accumulated losses share-based payments relating to options over ordinary shares that expired | 208,282      | 267,951      |
| Balance at end of the financial year                                                                      | (19,888,129) | (18,501,441) |

**Note 22 List of controlled entities**

The financial statements include the financial statements of the parent entity and the controlled entities listed in the following table:

| Name                                         | Country of Incorporation | % equity interest |      |
|----------------------------------------------|--------------------------|-------------------|------|
|                                              |                          | 2023              | 2022 |
| Malagasy Holdings (Bekisopa) Pty Limited     | Australia                | 100               | 100  |
| - Iron Ore Corporation of Malagasy sarl      | Madagascar               | 100               | 100  |
| Malagasy Holdings (Tratramarina) Pty Limited | Australia                | 100               | 100  |
| - Universal Exploration Madagascar sarl      | Madagascar               | 100               | 100  |

**Note 23 Exploration commitments**

|                                        | 31 December |         |
|----------------------------------------|-------------|---------|
|                                        | 2023        | 2022    |
|                                        | \$          | \$      |
| Exploration annual administration fees | 300,000     | 425,000 |
| Payable:                               |             |         |
| no later than 1 year                   | 60,000      | 85,000  |
| between 1 year and 5 years             | 240,000     | 340,000 |
| greater than 5 years                   | -           | -       |
|                                        | 300,000     | 425,000 |

*Exploration and evaluation expenditure commitments*

Under 99-022 Mining Code (*portant Code minier*), the Group does not have any expenditure commitments on its tenements other than the annual renewal fees (*frais d'administration annuel*) which are payable to the Madagascar Mining Cadastre Bureau (*Bureau du Cadastre Minier de Madagascar*).

The annual renewal fees for Ambodilafa tenements, held by Mineral Resources of Madagascar sarl, an entity controlled by Jubilee Platinum plc, are approximately \$15,000 for the 2022 renewal period. Mineral Resources of Madagascar sarl is the entity through which the Company has earned its 90% equity interest in the Commodities discovered on the Ambodilafa tenements. The Company also holds reversal rights whereby it can earn up to 49% of LME Commodities discovered on the Ambodilafa tenements through contributing to expenditure.

**Note 24 Financial obligations of the Company and its controlled entities**

*The Company*

*Ambodilafa tenements*

On 22 August 2012, the Company entered into a Farm-in Agreement with Jubilee Platinum plc which entitled the Company to earn a 90% interest in commodities other than platinum group elements, London Metal exchange traded metals and chrome.

Under the Farm-in Agreement, the Company will earn its interest in the commodities in three stages:

|   |                                     |                  |
|---|-------------------------------------|------------------|
| - | Stage 1 US\$1.0 million expenditure | 51%              |
| - | Stage 2 US\$1.0 million expenditure | 81% (cumulative) |
| - | Stage 3 US\$1.0 million expenditure | 90% (cumulative) |

The Company is required to give notice to Jubilee each time it has expended US\$1.0 million under the Farm-in Agreement. Jubilee has 30 days from the date of notice to inform the Company whether it wishes to take the unearned interest available to it through jointly funding all future work programmes. If Jubilee does not elect to take the unearned interest, the Company has automatic rights to move the next stage and earn additional interest in the commodities. Under the Farm-in Agreement the Company will have sole and exclusive rights to explore the Ambodilafa tenements in each stage.

Where the Company has earned a 90% interest in the commodities and Jubilee does not elect to take up the unearned interest, the Company has a right to buy-out the unearned interest for \$1.5 million through either shares or cash or a royalty or a combination of these methods.

As at balance date, 31 December 2023 the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement.

*Bekisopa tenements*

On 16 June 2014, the Company acquired Iron Ore Corporation of Madagascar sarl pursuant to a Share Sale and Purchase Agreement and the simultaneous execution of a Shareholders Agreement with Cline Mining Corporation. Under the terms and conditions of the Share Sale and Purchase Agreement, the Company paid Cline US\$25,000 on execution of the above-mentioned agreement and agreed to pay, on 17 June 2014, a further US\$175,000. In addition, the Company agreed to pay outstanding annual administration fee (*frais d'administration annuel*) to the Bureau of Cadastre Mines of Madagascar (*Bureau du Cadastre Minier de Madagascar or BCM*) as well as settling outstanding liabilities in Madagascar.

On 27 October 2016, the Company renegotiated its obligations (principal excluding interest and penalties) due to Cline Mining Corporation for the Bekisopa DSO project. Under the revised terms the Company has move its outstanding obligations from June 2017 to June 2018 on the issue of US\$50,000 in shares in the Company on its listing and an option to extend the outstanding obligation to December 2018 for a further US\$25,000 in shares.

On 13 December 2019, the Company extinguished its obligation to Cline under the Share Sale and Purchase Agreement with the payment of A\$253,478. Further, on 25 July 2020 the Company agreed with Cline to acquire its remaining 25% equity interest in IOCM as well as convert its rights to fully paid ordinary shares under the Deeds of Variation at a price of 2.5 cents per fully paid ordinary shares.

*Universal Exploration Madagascar sarl*

On 23 June 2011, Universal Exploration Madagascar sarl (UEM) acquired two Reserved Licences for Small Mining Developers (*du Permis Reserve Aux Petits Exploitants ou Permis*) prospective for magnetite (the Tratramarina West tenements) by paying US\$200,000 and agreeing to pay, on the election of UEM, US\$250,000 (First Option) and US\$350,000 (Second Option) in 2012 and 2013, respectively, if UEM sarl elects to continue to explore and expend monies on the permits. In addition, if Universal Exploration Madagascar sarl undertakes a Mine Development that incorporates magnetite ore sourced from the Tratramarina West tenements, a royalty of 0.35% will be paid on the net sales revenue generated on magnetite concentrate produced from the Tratramarina West prospects. The Tratramarina West tenements are adjacent to the Tratramarina East.

The parent entity exercised the First Option during the course of the financial year and exercised the Second Option on 26 February 2013.

Following the exercise of the Second Option, the outstanding obligation of UEM under the Mining Permit Sale Agreement is a royalty equal to 0.35% of net sales revenue.

**Note 25      Events after balance date**

The Company appointed Mr GP Hunt as Non-executive Chairman of the Company on 1 February 2024. Pursuant to the Letter of appointment Mr Hunt will receive a cash remuneration of \$90,000 per year as well as 500,000 performance rights, subject to shareholder approval.

The Company appointed Mr Jason Whittle as General Manager – Development, effective from 15 January 2024.

Mr MH Stirzaker resigned as a Non-executive Chairman and as a director on 1 February 2024.

**Note 26      Related party disclosure**

*Directors*

The directors of the parent entity during the financial period were:

PG Bibby

JM Madden

MH Stirzaker

MD Gill

**Note 27      Cash flow statement reconciliation**

|                                                                 | <b>31 December</b> |             |
|-----------------------------------------------------------------|--------------------|-------------|
|                                                                 | <b>2023</b>        | <b>2022</b> |
|                                                                 | <b>\$</b>          | <b>\$</b>   |
| Net loss after tax                                              | <b>(1,594,970)</b> | (1,501,025) |
| <i>Adjusted for:</i>                                            |                    |             |
| Depreciation                                                    | -                  | 4,829       |
| Exchange fluctuation                                            | <b>3,087</b>       | 992         |
| Provisions                                                      | <b>24,004</b>      | 16,931      |
| Share-based payments                                            | <b>208,992</b>     | 112,816     |
| <i>Changes in other current assets and current liabilities:</i> |                    |             |
| Current assets                                                  |                    |             |
| Receivables                                                     | <b>(5,123)</b>     | 4,111       |
| Other                                                           | -                  | -           |
| Current liabilities                                             |                    |             |
| Payables                                                        | <b>(36,574)</b>    | (27,551)    |
|                                                                 | <b>(1,400,584)</b> | (1,388,897) |

**Note 28 Key management personnel**

*Details of key management personnel*

*Chief Executive officer and Managing Director*

PG Bibby

*Chief Financial Officer and Company Secretary*

JM Madden (resigned 25 August 2023 as a director and resigned 19 February 2024 as Company Secretary)

*Non-executive directors*

MH Stirzaker (resigned 1 February 2024)

MD Gill (appointed as a non-executive director 1 August 2023)

*Compensation of key management personnel*

Compensation paid to key management personnel is as follows:

|                              | <b>31 December</b> |             |
|------------------------------|--------------------|-------------|
|                              | <b>2023</b>        | <b>2022</b> |
|                              | <b>\$</b>          | <b>\$</b>   |
| Short-term employee benefits | <b>445,016</b>     | 507,802     |
| Post-employment benefits     | <b>37,664</b>      | 64,022      |
| Other long-term benefits     | -                  | -           |
| Equity based payments        | <b>164,953</b>     | 112,816     |
|                              | <b>647,633</b>     | 684,640     |

There were no other transactions with Key Management Personnel or their related parties as 31 December 2023 and 2022. The Group has reclassified part of the remuneration paid to the Managing Director as exploration and evaluation expenditure.

**Note 29 Parent entity**

The following table sets out selective financial information relating to AKORA Resources Limited the parent entity of the Group:

|                                   | 31 December  |              |
|-----------------------------------|--------------|--------------|
|                                   | 2023         | 2022         |
|                                   | \$           | \$           |
| Current assets                    | 1,302,402    | 694,145      |
| Financial assets                  | 9,965,567    | 8,937,683    |
| Total assets                      | 11,441,807   | 9,631,828    |
| Current liabilities               | 173,838      | 189,218      |
| Non-current liabilities           | -            | -            |
| Total liabilities                 | 173,838      | 189,218      |
| Net assets                        | 11,267,969   | 9,442,610    |
| Issued and paid-up capital        | 31,606,710   | 28,186,123   |
| Reserves                          | 44,039       | 43,329       |
| Accumulated losses                | (20,382,780) | (18,786,842) |
| <i>Financial assets</i>           |              |              |
| Shares in controlled entities     | 1,046,112    | 1,046,112    |
| Loans to controlled entities      | 8,919,455    | 7,891,571    |
| Carrying value                    | 9,965,567    | 8,937,683    |
| <i>Financial performance</i>      |              |              |
| Loss for year                     | (1,796,568)  | (1,395,731)  |
| Other comprehensive income/(loss) | -            | -            |
| Total comprehensive loss          | (1,796,568)  | (1,395,731)  |

**Note 30 Auditor's remuneration**

|                                             | 31 December |        |
|---------------------------------------------|-------------|--------|
|                                             | 2023        | 2022   |
|                                             | \$          | \$     |
| Amounts paid or due for payable to Bentleys |             |        |
| Audit or review of the financial report     | 40,000      | 35,000 |
| Half-year review                            | 20,557      | 22,000 |
|                                             | 60,557      | 57,000 |

**Note 31 Contingent liabilities**

The Company has no contingent liabilities, other than that disclosed in Note 23.

**Note 32 Company details**

The registered office and principal place of the Company is:

12 Anderson Street West  
Ballarat Victoria 3350

Website: [www.akoravy.com](http://www.akoravy.com)

In accordance with a resolution of the board of directors of AKORA Resources Limited, I state that:

In the opinion of the board of directors:

- (a) financial statements, the accompanying notes to the financial statements and the additional disclosures set out in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of their performance for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board, as disclosed in Note 2(a); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors.



GP Hunt  
Chairman

Dated this 22<sup>nd</sup> day of March 2024

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AKORA RESOURCES LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Akora Resources Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial 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 31 December 2023 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 2(a).

#### 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.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,594,970 during the year ended 31 December 2023. As stated in Note 2(a), these events or conditions, along with other matters as set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

## Key Audit Matters

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

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Exploration and Evaluation</b></p> <p>As at balance date the Consolidated Entity had an exploration balance of \$9,932,524.</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 Exploration for and Evaluation of Mineral Resources ("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 being inherently difficult.</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 programmes planned for those tenements.</li> <li>• For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable;</li> <li>• We tested the exploration and evaluation expenditure incurred during the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6;</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>• 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> </ul> </li> </ul> |

| Key Audit Matter | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | <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> <li>○ decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and</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> </ul> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the related disclosures in Note 13 to the financial statements.</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 31 December 2023, 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 2(a), 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 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 31 December 2023. 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 Akora Resources Limited, for the year ended 31 December 2023, complies with section 300A of the Corporations Act 2001.

*Hall Chadwick*

**HALL CHADWICK WA AUDIT PTY LTD**

*Mark Delaurentis*

**MARK DELAURENTIS CA**  
**Director**

Dated this 22<sup>nd</sup> day of March 2024  
Perth, Western Australia

**Distribution of shareholders as at 12 March 2024**

| Range            | Units             | % Units        |
|------------------|-------------------|----------------|
| 1 - 1,000        | 6,442             | 0.01%          |
| 1,001 - 5,000    | 451,056           | 0.47%          |
| 5,001 - 10,000   | 700,740           | 0.74%          |
| 10,001 - 100,000 | 9,938,127         | 10.46%         |
| 100,001 Over     | 83,886,449        | 88.32%         |
| <b>Rounding</b>  |                   |                |
| <b>Total</b>     | <b>94,982,814</b> | <b>100.00%</b> |

**Unmarketable parcels**

|                                              | Minimum<br>Parcel | Holders | Units   |
|----------------------------------------------|-------------------|---------|---------|
| Minimum \$ 500.00 parcel at \$ 0.16 per unit | 3,125             | 104     | 154,796 |

**Voting rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at the meeting or by proxy has one vote on a show of hands.

**Substantial Shareholders**

There were three substantial Shareholders as at 12 March 2024

| Name                           | Number of Shares | % of Quoted Shares |
|--------------------------------|------------------|--------------------|
| Futureworld Management Pty Ltd | 9,151,817        | 9.64%              |
| Citicorp Nominees Pty Limited  | 7,755,212        | 8.16%              |
| Salaris Fleet Pty Ltd          | 6,171,570        | 6.50%              |

**Company Secretary**

The name of the Company Secretary is Shane Turner.

**Principal registered office**

As disclosed in Note 32 Company Details of the Annual Report.

**Registers of securities are held at the following address:**

Link Market Services  
Tower 4,  
727 Collins Street  
Melbourne Victoria Australia 6000

Telephone 1300 554 474

**ADDITIONAL INFORMATION REQUIRED BY  
AUSTRALIAN SECURITIES EXCHANGE**

**Top Twenty Shareholders  
As At 12 March 2024**

| Rank | Name                             | Number            | %             |
|------|----------------------------------|-------------------|---------------|
| 1    | FUTUREWORLD MANAGEMENT PTY LTD   | 9,151,817         | 9.64          |
| 2    | CITICORP NOMINEES PTY LIMITED    | 7,755,212         | 8.16          |
| 3    | SALARIS FLEET PTY LTD            | 6,171,570         | 6.50          |
| 4    | MR NICHOLAS JOHN AXAM            | 4,616,459         | 4.86          |
| 5    | BNP PARIBAS NOMS PTY LTD         | 4,337,610         | 4.57          |
| 6    | MR WAYNE ANTHONY HOSE            | 3,394,275         | 3.57          |
| 7    | JOHN CHARLES TUMAZOS             | 2,777,486         | 2.92          |
| 8    | TRAVIS ANDERSON                  | 2,511,855         | 2.64          |
| 9    | MR ALEX JORDAN                   | 2,440,281         | 2.57          |
| 10   | EVANACHAN LIMITED                | 1,811,628         | 1.91          |
| 11   | P & J BIBBY PENSION FUND PTY LTD | 1,810,477         | 1.91          |
| 12   | ALAFACI NOMINEES PTY LTD         | 1,800,000         | 1.90          |
| 13   | MR DAVID YONAN                   | 1,334,315         | 1.40          |
| 14   | MR SIMON RUSSELL FRANCIS         | 1,222,019         | 1.29          |
| 15   | MRS SONIA SHARMA                 | 1,107,069         | 1.17          |
| 16   | CLINE MINING CORPORATION         | 981,492           | 1.03          |
| 17   | JMJW SUPER PTY LTD               | 967,618           | 1.02          |
| 18   | MR TRAVIS ANDERSON               | 962,000           | 1.01          |
| 19   | ROCK COD INVESTMENTS PTY LTD     | 953,795           | 1.00          |
| 20   | DALESAM PTY LTD                  | 899,793           | 0.95          |
|      |                                  |                   |               |
|      | <b>Top 20 Shareholders</b>       | <b>57,006,771</b> | <b>60.02</b>  |
|      | <b>Remaining shareholders</b>    | <b>37,976,043</b> | <b>39.98</b>  |
|      | <b>Total shares</b>              | <b>94,982,814</b> | <b>100.00</b> |

**ADDITIONAL INFORMATION REQUIRED BY  
AUSTRALIAN SECURITIES EXCHANGE**

**Tenement Holding in Madagascar**

| <b>Tenement<br/>Number</b> | <b>Name</b>           | <b>Grant date</b> | <b>Administration<br/>Fees Paid</b> | <b>Blocks</b> | <b>Holder</b>                                                     | <b>Equity</b> |
|----------------------------|-----------------------|-------------------|-------------------------------------|---------------|-------------------------------------------------------------------|---------------|
| 10430                      | Bekisopa PR           | 4/03/2004         | <b>31/12/2023</b>                   | 64            | Iron Ore Corporation<br>Madagascar sarl                           | 100%          |
| 27211                      | Bekisopa PR           | 16/10/2007        | <b>31/12/2023</b>                   | 128           | Iron Ore Corporation<br>Madagascar sarl                           | 100%          |
| 35827                      | Bekisopa PR           | 23/01/2007        | <b>31/12/2023</b>                   | 32            | Iron Ore Corporation<br>Madagascar sarl                           | 100%          |
| 3757                       | Bekisopa PRE          | 26/03/2001        | <b>31/12/2023</b>                   | 16            | Randriamananjara<br>(Acquired under Sale &<br>Purchase Agreement) | 100%          |
| 6595                       | Samelahy PR           | 20/05/2003        | <b>31/12/2023</b>                   | 190           | Mineral Resources<br>Madagascar sarl                              | 100%          |
| 13011                      | Samelahy PR           | 15/10/2004        | <b>31/12/2023</b>                   | 207           | Mineral Resources<br>Madagascar sarl                              | 100%          |
| 21910                      | Samelahy PR           | 23/09/2005        | <b>31/12/2023</b>                   | 60            | Mineral Resources<br>Madagascar sarl                              | 100%          |
| 16635                      | Tratramarina East PR  | 23/09/2005        | <b>31/12/2023</b>                   | 144           | Universal Exploration<br>Madagascar sarl                          | 100%          |
| 16637                      | Tratramarina East PR  | 23/09/2005        | <b>31/12/2023</b>                   | 48            | Universal Exploration<br>Madagascar sarl                          | 100%          |
| 17245                      | Tratramarina East PR  | 10/11/2005        | <b>31/12/2023</b>                   | 160           | Universal Exploration<br>Madagascar sarl                          | 100%          |
| 18379                      | Tratramarina West PRE | 11/01/2006        | <b>31/12/2023</b>                   | 16            | Rakotoarisoa<br>(Acquired under Sale &<br>Purchase Agreement)     | 100%          |
| 18891                      | Tratramarina West PRE | 18/11/2005        | <b>31/12/2022</b>                   | 48            | Rakotoarisoa<br>(Acquired under Sale &<br>Purchase Agreement)     | 100%          |

*Notes*

1. *PR means Permis du Recherche*
2. *PRE means Permis Reserve aux Petits Exploitants*
3. *The Company has paid the Bureau du Cadastre de Minier Madagascar all fraise d'administration annuel (annual administration fees) up to and include 2023 from the date of original grant Malagasy administrative law provides that where a private party has complied with its obligations in good faith and the State (BCMM and Ministere du Miner) has not completed their administrative responsibilities, the private party may rely on its existing rights and there is an assumption that these will continue to subsist in the absence of justified refusal.*

