



ACN 650 477 286

ANNUAL REPORT

YEAR ENDED 30 JUNE 2022

Annual Report 30 June 2022

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General information

The financial statements cover Aurum Resources Limited as a single entity at the end of, or during, the year. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Aurum Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Suite 11, 12 Level 2, 23 Railway Road Subiaco, WA 6008	Suite 2, Level 1 1 Altona Street, West Perth, WA 6005

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2022. The directors have the power to amend and reissue the financial statements.

CORPORATE DIRECTORY

Board of Directors

Mr Joshua Letcher	Non-Executive Chairman
Mr Troy Flannery	Non-Executive Director
Mr Mauro Piccini	Non-Executive Director

Secretary

Mr Mauro Piccini

Registered Office & Place of Principal Operation

Suite 11, 12, Level 2
23 Railway Road
Subiaco WA 6008

Telephone: 08 6559 1792

Auditors

RSM Australia Partners
Level 32, 2 The Esplanade
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 4, Brookfield Place, Tower Two
123 St Georges Terrace
Perth WA 6000

Share Registry

Automic Share Registry
Level 5, 191 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

Stock exchange listing

Aurum Resources Limited share are listed on the Australian Securities Exchange (ASX code: AUE)

Website

<https://www.aurumres.com.au>

Corporate Governance Statement

<https://www.aurumres.com.au/corporate-governance>

DIRECTORS' REPORT

The Directors of Aurum Resources Limited ("Aurum" or "the Company") present their report, together with the financial statements of the Company for the year ended 30 June 2022.

DIRECTORS

The names of the Company's Directors who held office during the year and until the date of this report are set out below. Directors were in office for this entire year unless otherwise stated.

Director	Position
Joshua Letcher	Non-Executive Chairman
Troy Flannery	Non-Executive Director
Mauro Piccini	Non-Executive Director

Mr Joshua Letcher | Non-Executive Chairman (appointed 25 May 2021)

Joshua Letcher has a mechanical engineering background through the Royal Australian Navy and has many years' experience in mining and exploration through Australia and Africa. He holds Certificate III in Mechanical Engineering.

Joshua Letcher has experience working in various operational and technical roles within the African and Australian mining industry. He was the founder of Allotropes Diamonds Pty Ltd and was responsible for its acquisition with Newfield Resources Ltd (ASX: NWF) which provided the company with A\$4m working capital. Mr Letcher was responsible for the development of the project from exploration to trial mining. Mr Letcher was also a co-founder of Mirrorplex Pty Ltd which has identified a high grade lithium asset in Zimbabwe and has been responsible for the exploration programs, funding and acquisition with Six Sigma Resources Pty Ltd (ASX:SI6). The roles in these capacities included project management, plant construction and commissioning, exploration management and asset acquisition.

During the past three years, Mr Letcher held the following directorships in other ASX listed companies:

- Non-Executive Chairman of Aldoro Resources Limited (resigned); and
- Non-Executive Director of Six Sigma Metals Limited (current).

Mr Troy Flannery | Non-Executive Director (appointed 25 May 2021)

Mr Flannery has more than 23 years' experience in the mining industry, including 7 years in corporate and 16 years in senior mining engineering & project development roles. He has a degree in Mining Engineering, Masters in Finance & First Class Mine Managers Certificate of Competency. Troy is also the CEO of Abra Mining Pty Ltd, the corporate vehicle for the Galena Mining Ltd (ASX:G1A) & Toho Zinc Joint Venture. He has worked at numerous mining companies, mining consultancies & contractors including BHP, Newcrest, Xstrata, St Barbara Mines & AMC Consultants.

During the past three years, Mr Flannery held the following directorships in other ASX listed companies:

- Non-Executive Director of Aldoro Resources Limited (current).

Mr Mauro Piccini | Non-Executive Director and Company Secretary (appointed 25 May 2021)

Mauro Piccini is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA), and he holds a Bachelor's degree in Accounting and Taxation. Mauro spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro specialises in corporate advisory matters, company secretarial and financial management services for ASX listed companies, capital raisings and IPOs, due diligence reviews and ASX and ASIC compliance. Mauro regularly advises ASX listed companies on a range of corporate matters and has acted as the Company Secretary of a number of ASX listed and unlisted companies. Mauro also currently serves on the Board of The Pioneer Development Fund (Aust) Limited.

During the past three years, Mr Piccini has not held any directorships in other ASX listed companies.

DIRECTORS' REPORT

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Options
Mr Joshua Letcher	70,000	-
Mr Mauro Piccini	50,000	-
Mr Troy Flannery	40,000	-
Total	160,000	-

REVIEW OF OPERATIONS

Overview

Aurum Resources Ltd is an ASX-listed (ASX:AUE) mineral exploration and development company with a gold focus where it acquired Aldoro Resources (ASX:ARN) gold assets. It currently has two gold projects, the flagship **Penny South** and to the north along the Youanmi shear system and the reconnaissance **Ryan's Find** project northeast of Koolyanobbing. Aurum is exploring new opportunities as the recent market challenges have led to project opportunities. The Penny South Gold Project is the most advanced located immediately south of the Penny West and Penny North gold mines currently under development by Ramelius Resources (ASX:RMS) with a analogous structural setting and anomalous gold intersections.

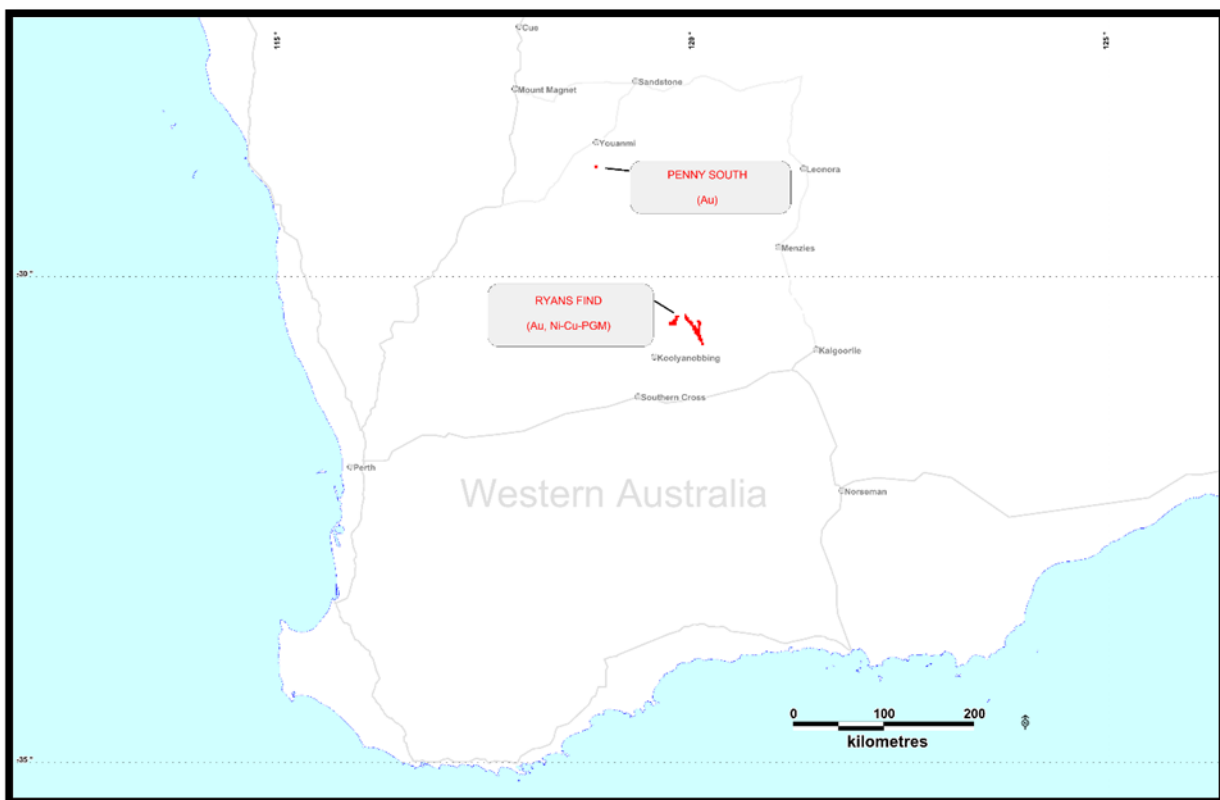


Figure 1: Aurum Resources Limited project locations.

DIRECTORS' REPORT

Penny South Gold Project

The **Penny South** Gold Project is located in the Youanmi Gold District and lies on structures that host the Youanmi Gold Mine, approximately 30km north held by held by Rox Resources (ASX:RXL) and Venus Metals Corporation limited (ASX:VMC), and the Penny West Gold mine, less than 800m north, owned by Ramelius Resources (ASX:RMS) (Figure 2). The Youanmi Mine historical production was 667,000oz of gold grading at 5.42g/t and through current exploration a Mineral Resource estimate of 24.6Mt at 3.78g/t for 3.0Moz of gold of which 9.9Mt at 6.9g/t for 2.2Moz lies in the Youanmi Deeps. The Penny West mine produced 154,000t at 18.0g/t for 89,000oz of gold and current investigations produced a Mineral Resource of 620,000t at 15g/t for 300,000 oz of gold from the Penny North, Penny West and Magenta lodes.

The Penny South project area and contains over 2.5km strike extension of the Penny West Shear, that hosts the historic high-grade Penny West Gold Mine. Previous drilling within tenement E57/1045 has encountered various significantly anomalous intersections of gold mineralisation including 2m at 33.98g/t Au, 6m at 1.27g/t Au and 5m at 1.11g/t Au. Like the Penny West area, tenement E57/1045 contains limited outcrop and is overlain by 1m to 30m of sand and sedimentary cover. The average depth of historic drilling within the Penny South Gold Project is less than 40m down hole.

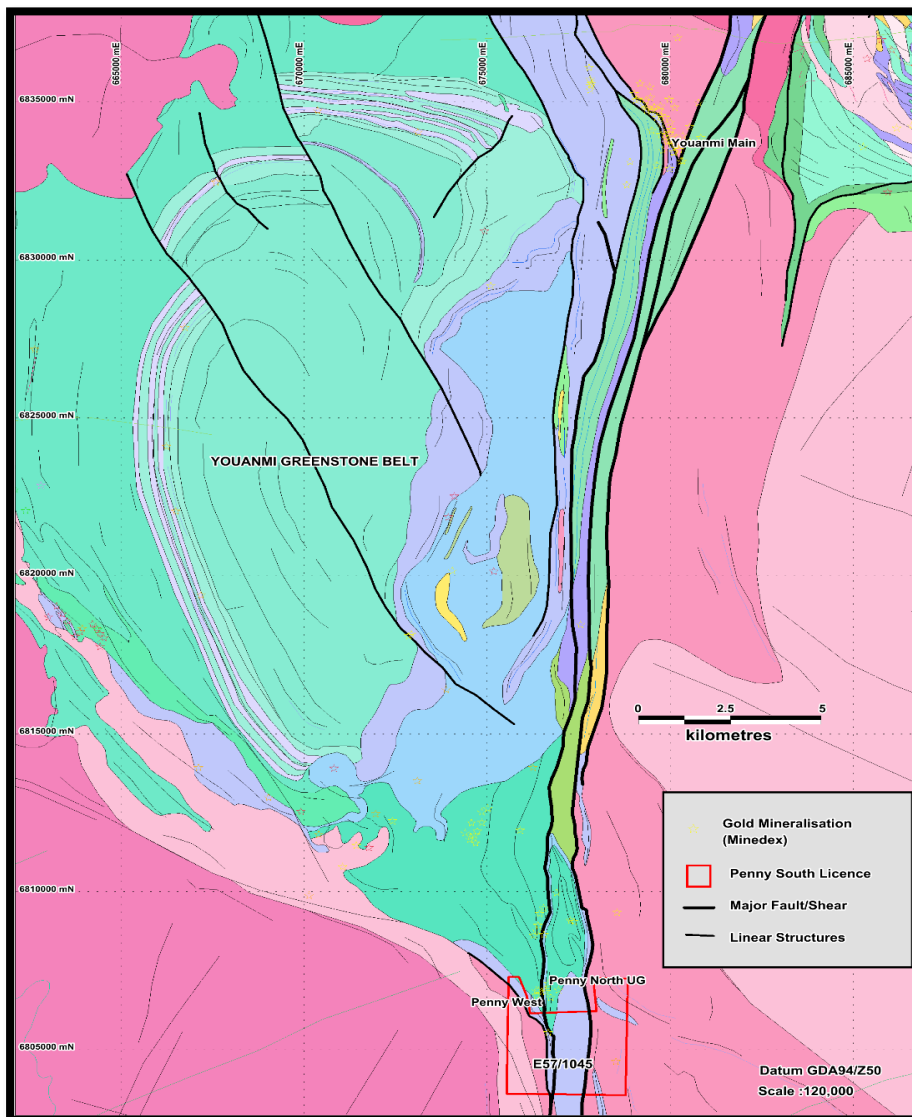


Figure 2 Youanmi Greenstone Belt with reported gold mineralisation (Minedex) and the Youanmi, Penny West and Penny North mine sites

DIRECTORS' REPORT

At **Penny South** structural interpretation identified two main areas based on similar setting to Penny West and Penny North (Ramelius Resources ASX:RMS) mineralised lodes which lie to the North in an adjacent licence. Ramelius Resources' s Penny West and Penny North gold mines have been interpreted to reside on a NW trending, late, brittle fault which terminate against the Penny West Shear Zone (PWSZ), the possible source of the gold bearing fluids. These associated gold loads are offset from this structure in dilation zones attributed to fault movement and rock competency differences causing dilations zones. Similar structures have been interpreted in the Penny South licence and formed the two main priority targets for drilling. The northern target consists of a complex zone of anastomosing NW-SE faults and while previous adjacent drilling produced assays >0.5g/t the target has not been fully tested, especially at deeper levels. The southern target, while less complex, has produced adjacent anomalous gold hits, which again the structural target had not been tested.

The programme focused on two main areas, the northern offset target which has a similar structural setting to the Penny West deposit which resides immediately to the north and the southern target along the Youanmi fault and shear system. The RC drilling programme was hampered by the fractured basement with high-flow ground water which affected sample return from around the 150m (inclined) depth. It also prevented 5 holes from coming close to target depth of 200m and was compounded by rig breakdowns, especially compressors overheating resulting in the holes being inundated by high flow aquifers.

Samples were shipped to MinAnalytical Laboratory Services (now part of the ALS Global Group) Perth premises and have been Photon Assayed for gold with a sensitivity of 0.03ppm Au. A total of 927 samples were submitted of which 839 are 4m composites, 11 are 1m composites, 40 are standards, 21 are blanks and 16 are duplicates. Results found 16 positive gold samples which are compiled in Table 1 and locations shown in Figure 2.

Hole_ID	Easting MGA94	Northing MGA94	Sample Number	From (m)	To (m)	Interval (m)	Grade Au g/t	Host	Sulphides	Comment
APSRC0028	676701	6805952	APS2978	48	52	4	0.10	ultramafic		up to 10% quartz veining
APSRC0028			APS2980	56	60	4	0.07	basalt		sheared contact up to 15% quartz veining
APSRC0029	676653	6805849	APS3064	152	156	4	0.36	basalt		amphibolite/felsic contact, up to 8% quartz veining
APSRC0030	676801	6805581	APS3113	140	144	4	0.41	basalt	Trace	foliated metabasalt fine grained minor quartz veining and pyrite
APSRC0030			APS3114	144	148	4	0.30	basalt	Trace	foliated metabasalt fine grained minor quartz veining and pyrite
APSRC0030			APS3116	152	156	4	0.16	basalt	Trace	foliated metabasalt fine grained minor quartz veining and pyrite
APSRC0030			APS3119	164	168	4	0.08	basalt	Trace	foliated metabasalt fine grained minor quartz veining and pyrite
APSRC0033	676751	6805752	APS3218	72	76	4	0.12	basalt	Trace	up to 10% quartz veining moderate chloritic alteration and sulphides
APSRC0033			APS3221	84	88	4	0.09	basalt	0.10%	up to 2% quartz veining, epidote alteration minor sulphides
APSRC0033			APS3222	88	92	4	0.15	basalt	Trace	up to 1% quartz veining, epidote alteration minor sulphides
APSRC0033			APS3225	96	100	4	0.11	basalt	Trace	up to 1% quartz veining, epidote alteration minor sulphides
APSRC0033			APS3242	160	164	4	0.08	amphibolite		up to 2% quartz veining, trace alteration epidote
APSRC0037	676754	6805400	APS3437	60	64	4	0.11	basalt	0.10%	limonite alteration, pyrite, trace quartz stringer
APSRC0040	676958	6804701	APS3631	152	156	4	0.60	basalt	0.50%	trace pyrite in epidote altered fractured basalt
APSRC0042	676900	6804503	APS3733	84	88	4	0.24	basalt	0.10%	schistose layers in foliated magnetic basalt with chloritic alteration
APSRC0043	676971	6804453	APS3805	156	160	4	0.15	basalt	0.10%	pyrite along annealed fractures with epidote and magnetite

Table 1: Summary of the reportable gold results (>0.03ppm)

DIRECTORS' REPORT

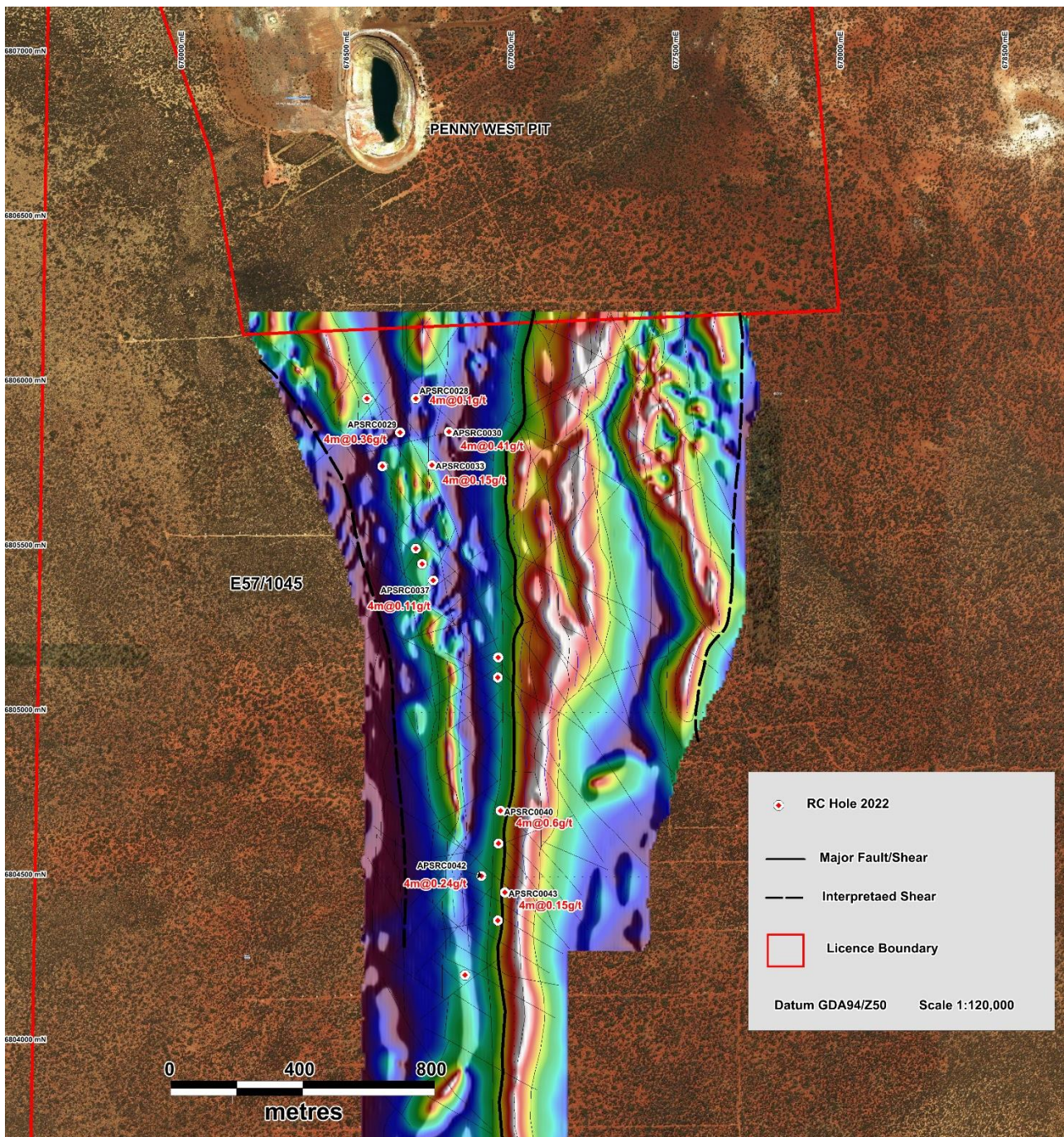


Figure 3: 2022 drilling results with the gold grades shown for the eight holes with reportable gold.

The recent gold results are consistent in the areas that historical drilling had identified and broaden the anomalous areas in the north and south. These results define a broad zone of low-grade gold mineralisation with pockets of higher-grade gold mineralisation.

DIRECTORS' REPORT

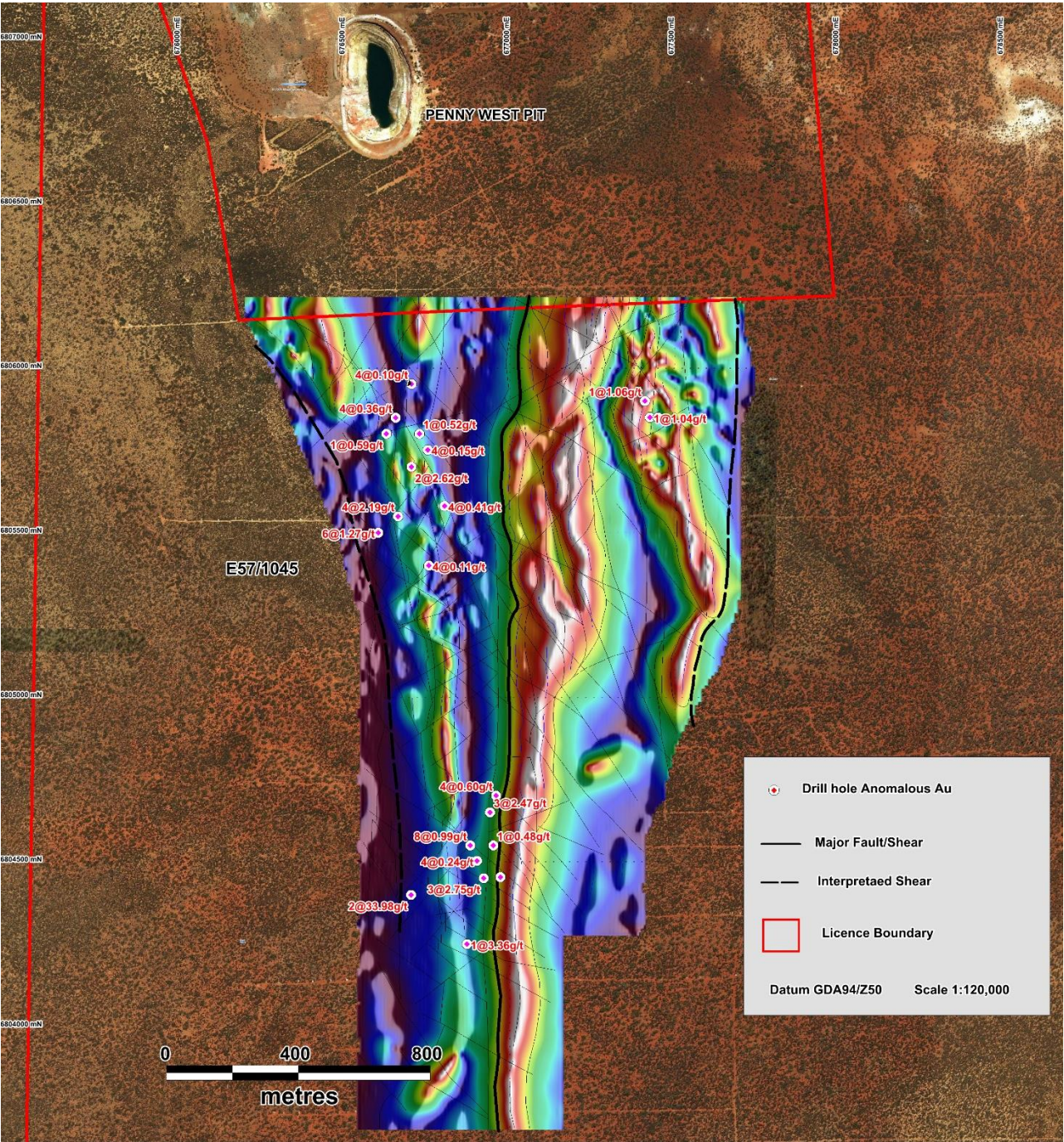


Figure 4 Historical and current drilling results showing anomalous gold intersections over the two main areas along the Youanmi north south fault.

DIRECTORS' REPORT

ID	Hole No.	Easting (MGAz50)	Northing (MGAz50)	Elevation	Azimuth	Dip	Target Depth (m)	Drilled Depth (m)	Comment
RHRC001	APSRC0027	676553	6805952	501	270	-60	200	204	Test strong NW structure
RHRC002	APSRC0028	676701	6805952	500	270	-60	200	210	Test strong NW structure
RHRC003	APSRC0029	676653	6805849	499	270	-60	200	185.5	Test NW structure with offsets in PWSZ
RHRC004	APSRC0030	676801	6805851	500	270	-60	200	198	Test NW structure with offsets in PWSZ
RHRC005	APSRC0031	676602	6805748	496	270	-60	200	55	Test NW structure with offsets in PWSZ
RHRC005	APSRC0032	676599	6805747	496	270	-60	200	198	Test NW structure with offsets in PWSZ
RHRC006	APSRC0033	676750	6805750	492	270	-60	200	216	Test NW structure with offsets in PWSZ
RHRC007	APSRC0034	676899	6805748	486	270	-60	200	188	Test NW structure with offsets in PWSZ
RHRC008	APSRC0035	676701	6805497	488	270	-60	200	222	Test NW structure/PWSZ adjacent to 5.56 ppm Au hit in APSRC015
RHRC009	APSRC0036	676720	6805450	483	270	-60	200	192	Test NW structure/PWSZ adjacent to 5.56 ppm Au hit in APSRC015
RHRC010	APSRC0037	676754	6805400	446	270	-60	200	222	Test NW structure/PWSZ adjacent to 5.56 ppm Au hit in APSRC015
RHRC011	APSRC0038	676951	6805167	tbc	270	-60	200	198	Testing gap zone between main Nth and Sth zones. NW trending structure
RHRC012	APSRC0039	676950	6805106	tbc	270	-60	200	198	Testing gap zone between main Nth and Sth zones. NW trending structure
RHRC013	APSRC0040	676958	6804701	tbc	270	-60	200	204	Testing adjacent to 6.67 ppm Au hit in APSRC026
RHRC014	APSRC0041	676952	6804602	tbc	270	-60	200	200	Testing adjacent to 6.67 ppm Au hit in APSRC026
RHRC015	APSRC0042	676900	6804503	tbc	270	-60	200	197	Testing adjacent to 62.55 ppm Au hit in 95PSRC0673
RHRC016	APSRC0043	676971	6804453	tbc	270	-60	250	204	Testing possible down plunge to 62.55 ppm Au hit in 95PSRC0673
RHRC017	APSRC0045	676850	6804202	tbc	270	-60	250	151	Testing extension to 5.2 ppm Au hit in APSRC005
RHRC018	APSRC0044	676950	6804368	tbc	270	-60	200	168	Testing extension to 3.36 ppm Au hit in APSRC006
Total								3610.5	

Table 2: List of collars based on structural interpretation, note PWSZ is the abbreviation for the Penny West Shear Zone (the major north-south shear zone is shown in Map 1). The holes pulled up short were due to adverse ground conditions, hole collapse, cavities, high water flow and loss of air pressure due to equipment failure.

DIRECTORS' REPORT

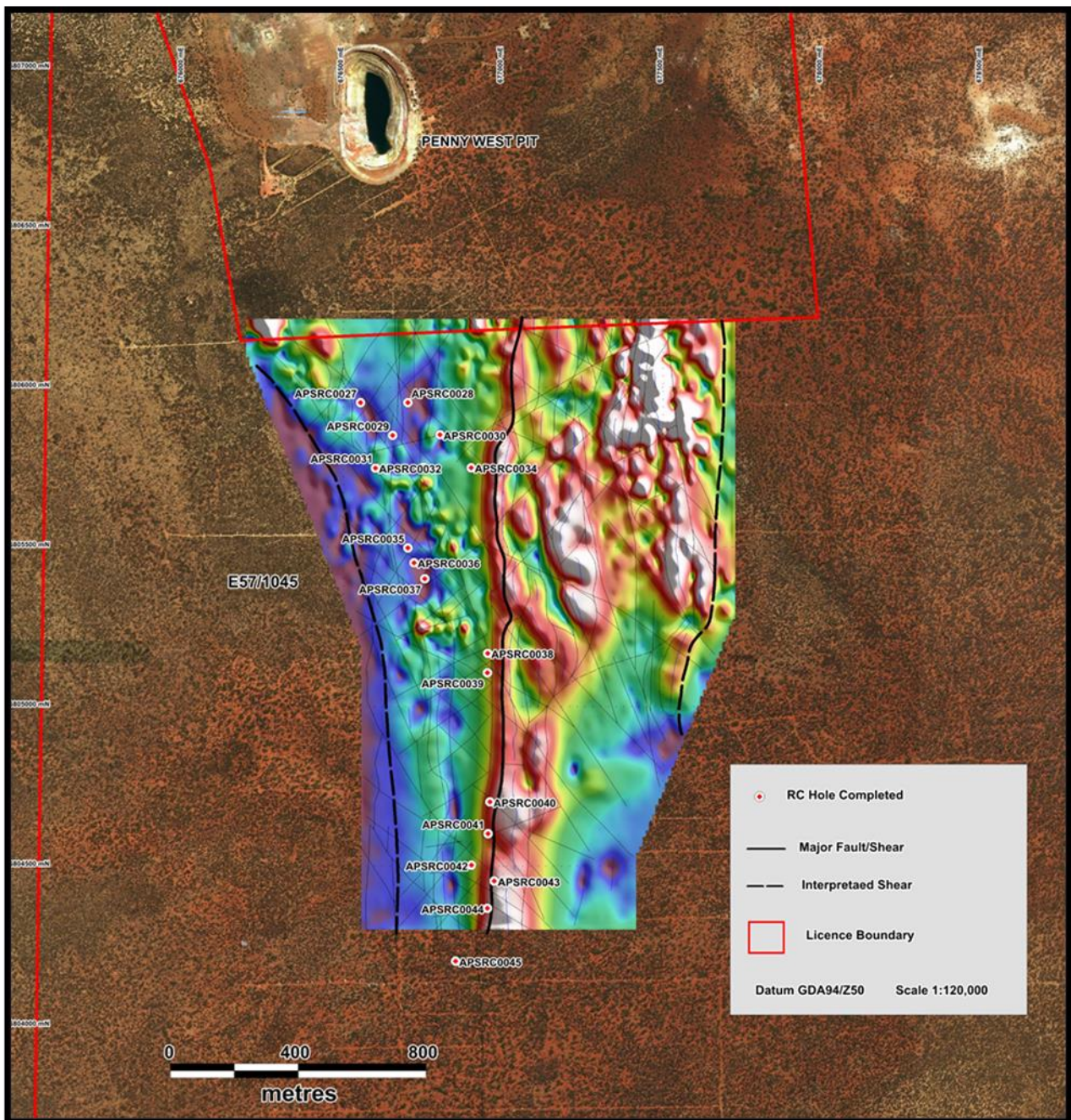


Figure 5: Drill sites at Penny South on structural interpretation map

A review of the gold results in context with the historical results found limited scope for the presence of a significant gold deposit despite some holes not reaching target depth and some samples being comprised by the extensive high flow water table. The options around the project are being assessed and a decision is expected in coming months.

At current stage, the board determined to impair the project.

Ryan's Find Project

The **Ryan's Find** Project is located 100km northwest of Southern Cross where historical exploration focused on the nickel cobalt potential of ultramafic rocks within the Watt Hills Greenstone belt. A first pass soil geochemical survey completed by Aldoro (ASX: ARN) aimed at verifying nickel-cobalt anomalism in historical geochemical surveys in the sole granted licence E16/489 found anomalous gold trends in the data which will form the initial focus of future work programmes. The granted licence and three licence applications contain more than 50 km of strike length of relatively underexplored greenstone belt, bookended by historic gold mines and workings.

DIRECTORS' REPORT

The licences form an Arc around a granitic pluton covering the greenstone contacts and associated shears typical settings for orogenic gold. The Mt Dimer (Tipan Pit) was mined in the mid 1990's producing **77,000@3.44g/t for ~8,500oz**. Twenty Seven Co (**ASX:TSC**) have the mining lease, but Aurum's exploration lease application surrounds the lease and runs to the SE along the structural trend of the old mine. Twenty Seven Co have released a JORC mineral Resource Estimate of **722,000t at 2.10g/t Au for 48,545oz of Au and 3.84g/t Ag for 89,011oz Ag**. They have stated that *"The resource remains open to the south and down dip with strong potential to extend the mineralisation along strike to the south"* where Aurum's licence application resides. This historic mine, located in tenement M77/515, is almost surrounded by Aurum's tenement application E77/2535 (held in name by Aldoro), with potential for strike extension of this mineralised structure into Aurum's ground. On the western side of the dome, another of Aurum's applications lies immediately south of Aurumin Limited (**ASX: AUN**) historic deposits of Frodo (open pit and underground), Golden Slipper, Lightning and others which they are currently reassessing and have reported anomalous gold intersections at **LO3 with 5m at 19.26g/t, Golden slipper 7m at 7.55g/t and Lightning 4m at 48.69g/t**.

On the granted licence **E16/489** at Ryans Find an aircore drilling programme is planned, subject to Heritage negotiations. Aldoro Resources had previously completed profile soil sampling for base metals and gold over the north-north-westerly striking greenstones, where the gold sampling results appear not to have been followed up (Figure 4). A number of above background low level gold assays were returned in the data and probably reflect specific basement lithological units apparent in the aeromagnetic dataset. Profile aircore drilling (Figure 4) is planned over these anomalous sections with approximately 80 holes for 3-4000m planned. Harmec Drilling have been booked to conduct the drilling. The drilling will focus on the contiguous magnetic unit associated with elevated gold in soils (Figure 5). The local geological strike is apparent in the airborne magnetics and local gossans trends north-north-westerly, and the planned drilling is perpendicular along the soil sample traverses. The holes planned will have azimuths of 045 and dips -60.

The extension of term for granted licence E16/489 was granted by the Mines Department for another 5 years of tenure. A Programme of Works (POW) was recently granted for the drilling programme while the native title negotiations with the Marlinyu Ghoorlie Native Title Claimant Group is still ongoing on a Heritage Agreement and planning for a heritage survey. An aircore drill rig has been tentatively booked but has been pushed out due to delays with progressing the heritage agreement and access tracks being pushed in.

In addition, Aurum is continuing to actively pursuing the grant of tenement applications ELA77/2520, ELA77/2535 and ELA16/551 with a gold focused soil sampling exploration program proposed.

DIRECTORS' REPORT

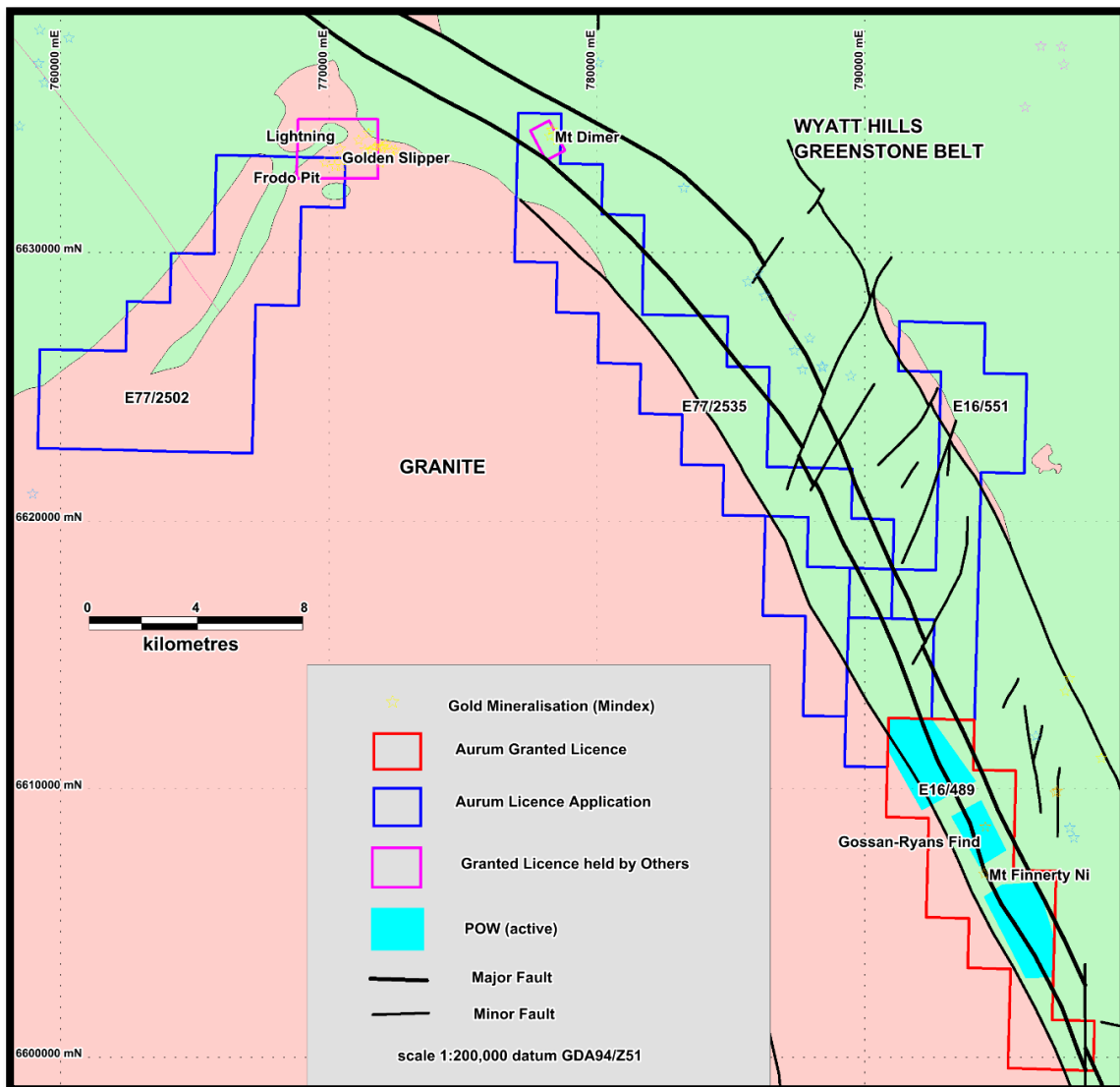


Figure 6 Ryans Find licences and Proposed drill areas

Disclaimer

In relying on the above mentioned ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcements.

Competent Persons Statement

The information in this announcement that relates to exploration data and results derived from open file reports and information supplied by Aldoro Resources Limited and prepared in accordance with the 2012 Edition of the Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC). The data was reviewed and compiled by Mr Mark Mitchell, an employee with Aurum Resources Ltd. Mr Mitchell is a Registered Professional Geoscientist (No.10049) with the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mitchell consents to the inclusion in the release of the statements based on his information in the form and context in which it appears.

CORPORATE**Environmental Regulations**

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements under this Act, but this may change in the future. The Company is not aware of any matters that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

IPO and Tenement Acquisitions

During the year, the Company issued 4,999,999 shares at \$0.20 per share and \$200,000 in cash as consideration to Aldoro Resources Limited to acquire the Unaly Hill Project, Ryans Find Project and the Penny South Project.

The Company listed on the ASX on 2 November 2021, and completed \$5,000,000 IPO placement through the issue of 25,000,000 shares at \$0.20 per share on 25 October 2021. The Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission to the ASX in a way consistent with its business objectives up to 30 June 2022.

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year was the exploration of mining projects.

FINANCIAL RESULTS

The financial results of the Company for the year ended 30 June 2022 are:

	30-Jun-22	30-Jun-21
Cash and cash equivalents (\$)	3,181,723	1
Net assets/(liabilities) (\$)	3,368,011	(5,499)

	30-Jun-22	30-Jun-21
Other income (\$)	249	-
Net loss after tax (\$)	(2,329,807)	(5,500)

DIVIDENDS

No dividend is recommended in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in state of affairs during and subsequent to the end of the financial year.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's main exploration efforts will be focused on developing value from exploration across its tenement projects in Western Australia.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director's held office are:

Name	Number Eligible to Attend	Number Attended
Mr Joshua Letcher	2	2
Mr Mauro Piccini	2	2
Mr Troy Flannery	2	2

During the year, the Directors met regularly on an informal basis to discuss all matters associated with investment strategy, review of operations, and other Company matters.

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Corporate Governance Statement.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2022 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company, directly or indirectly.

a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Company during or since the end of the financial year were:

Joshua Letcher	Non-Executive Chairman
Troy Flannery	Non-Executive Director
Mauro Piccini	Non-Executive Director
Mark Mitchell	Chief Executive Officer

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

A	Remuneration Philosophy
B	Remuneration Governance, Structure and Approvals
C	Remuneration and Performance
D	Details of Remuneration
E	Contractual Arrangements
F	Share-based Compensation
G	Equity Instruments Issued on Exercise of Remuneration Options
H	Voting and comments made at the Company's 2020 Annual General Meeting
I	Loans with KMP
J	Other Transactions with KMP
K	Additional Information

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Company. KMP of the Company comprise of the Board of Directors, and Chief Executive Officer.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Company's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Company renders this impractical. The Board is primarily responsible for:

DIRECTORS' REPORT

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

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

❖ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall be no more than \$300,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. The chair's fees are determined independently to the fees of the Non-Executive Director's based on comparative roles in the external market. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide superannuation benefits for both present and future Non-Executive Directors, and they may from time to time vary this scheme or plan.

The remuneration of Non-Executives is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

❖ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performance Directors.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Company, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

❖ Executive Remuneration Approvals

The Company aims to reward Executives with a level of mix of remuneration commensurate with their position and responsibilities within the company and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of Company's business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

DIRECTORS' REPORT

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") and share price of the Company as at 30 June 2022 and 30 June 2021.

	30-Jun-22	30-Jun-21
Other income (\$)	249	-
Net loss after tax (\$)	(2,329,807)	(5,500)
EPS (\$)	(0.11)	-

Relationship between Remuneration and Company Performance

Given the current phase of the Company's development, the Board does not consider earnings during the current financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

- a) Fixed Remuneration – base salary
- b) Variable Short-Term Incentives
- c) Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each KMP is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken during the financial year. Base salary for key management personnel is reviewed annually to ensure the KMP's pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short -Term Incentives (STI)

Discretionary cash bonuses may be paid to KMP annually, subject to the requisite Board and shareholder approvals where applicable. There have been no cash bonus payments made to Directors during the year.

c) Variable Remuneration – Long-Term Incentives (LTI)

Options are issued at the Board's discretion. There have been no options issued to employees at the date of this financial report.

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Company during the financial year are:

DIRECTORS' REPORT

Table 1 – Remuneration of KMP of the Company for the year ended 30 June 2022 and 30 June 2021 is set out below:

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
30 June 2022	\$	\$	\$	\$	\$	\$
Directors						
Mr Joshua Letcher ⁽ⁱ⁾	60,000	-	-	6,000	-	66,000
Mr Troy Flannery ⁽ⁱ⁾	36,000	-	-	3,600	-	39,600
Mr Mauro Piccini ⁽ⁱ⁾	36,000	-	-	3,600	-	39,600
CEO						
Mr Mark Mitchell ⁽ⁱⁱ⁾	150,000	-	-	15,000	-	165,000
Total	282,000	-	-	28,200	-	310,200

(i) Appointed on 25 May 2021, commencement of director fees from 1 July 2021.

(ii) Appointed on 1 July 2021, commencement of executive salary from 1 July 2021.

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
30 June 2021	\$	\$	\$	\$	\$	\$
Directors						
Mr Joshua Letcher	-	-	-	-	-	-
Mr Troy Flannery	-	-	-	-	-	-
Mr Mauro Piccini	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

Table 2 – Relative proportion of fixed vs variable remuneration expense

Name	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2022	2021	2022	2021	2022	2021
Directors						
Mr Joshua Letcher	100%	-	-	-	-	-
Mr Troy Flannery	100%	-	-	-	-	-
Mr Mauro Piccini	100%	-	-	-	-	-
CEO						
Mr Mark Mitchell	100%	-	-	-	-	-

DIRECTORS' REPORT

Table 3 – Shareholdings of KMP (direct and indirect holdings)

30 June 2022	Balance at 01/07/2021	Granted as Remuneration	On Exercise of Options	Net Change – Other (i)	Balance at 30/06/2022
Directors					
Mr Joshua Letcher	-	-	-	70,000	70,000
Mr Troy Flannery	-	-	-	50,000	50,000
Mr Mauro Piccini	-	-	-	40,000	40,000
CEO					
Mr Mark Mitchell	-	-	-	-	-
Total	-	-	-	160,000	160,000

(i) Shares issued to directors as part of participation in the IPO placement.

E Contractual Arrangements

Executive Officer Arrangements

❖ Mark Mitchell – Chief Executive Officer (Appointed 1 July 2021)

- Contract: Contract commenced on 1 July 2021.
- Base Salary: \$150,000 per annum (plus statutory superannuation entitlements).
- Performance Based Bonuses: The Company may at any time during the term of the contract, pay to the Executive a performance-based bonus. In determining the extent of any performance-based bonus, the Company shall take into consideration the key performance indicators of the Executive and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.
- Termination: Either party may terminate the employment agreement with three months' written notice.

Non-Executive Director Arrangements

❖ Joshua Letcher – Non-Executive Chairman (Appointed 25 May 2021)

- Contract: Contract commenced on 1 July 2021.
- Base Salary: \$60,000 per annum (plus statutory superannuation entitlements).
- Incentive Based Remuneration: The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

❖ Troy Flannery – Non-Executive Director (Appointed 25 May 2021)

- Contract: Contract commenced on 1 July 2021.
- Director's Fee: \$36,000 per annum (plus statutory superannuation entitlements).
- Incentive Based Remuneration: The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

❖ Mauro Piccini – Non-Executive Director (Appointed 25 May 2021)

- Contract: Contract commenced on 1 July 2021.
- Director's Fee: \$36,000 per annum (plus statutory superannuation entitlements).
- Incentive Based Remuneration: The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

Note 1: The term of each Director is open to the extent that they hold office in accordance with the Constitution of the Company (Constitution) and subject in particular to the provisions dealing with retirement by rotation and the various provisions relating to the election of directors. Appointment shall cease at the end of any meeting at which they are not re-elected as a director by the shareholders of the Company or otherwise ceases in accordance with the Constitution. Moreover, directors agree to submit resignation as a Director, if, for any reason, they become disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company. In particular, they unequivocally agree to submit their resignation as a Director if any background checks are unsatisfactory.

DIRECTORS' REPORT

F Share-based Compensation

The Company may at any time during the contract term pay to the Executive a performance-based bonus over and above the Salary. The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.

Options

There were no options issued as remuneration to Directors during the current financial year.

Shares

Short and Long-term Incentives

No short or long-term incentive-based shares were issued as remuneration to Directors during the current financial year.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

H Voting and Comments made at the Company's 2021 Annual General Meeting ('AGM')

Under Section 250N of the Corporations Act 2001, the Company's first AGM will be held in November 2022.

I Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2022 (2021: Nil).

There were no loans from any KMP during the year ended 30 June 2022 (2021: Nil).

J Other Transactions with KMP

No other transactions with KMP during the financial year.

K Additional Information

The earnings of the Company for the two years to 30 June 2022 are summarised below.

	2022 \$	2021 \$
Other income	249	-
EBITDA	(2,329,537)	(5,500)
EBIT	(2,329,763)	(5,500)
Loss after income tax	(2,329,807)	(5,500)
Share Price (\$)	0.13	-
EPS (\$)	(0.11)	-

No further historical information is shown above as the company was only incorporated in May 2021 and listed on the ASX on 2 November 2021.

[End of Audited Remuneration Report]

DIRECTORS' REPORT

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the year ended 30 June 2022, the Company paid premiums in respect of a contract insuring the directors and officers of the Company against liabilities incurred as directors or officers to the extent permitted by the Corporations Act 2001.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

ENVIRONMENTAL REGULATIONS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements under this Act, but this may change in the future. The Company is not aware of any matters that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

SHARES UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options are outstanding:

- (i) 2,800,000 unlisted options expiring 21 October 2026, exercisable at \$0.225

SHARES ISSUED ON THE EXERCISE OF OPTIONS

During the year and up to the date of this report, no shares have been issued on the exercise of options.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

DIRECTORS' REPORT

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

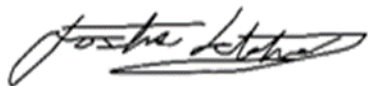
Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 18 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Joshua Letcher
Non-Executive Chairman
26 September 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Aurum Resources Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM

RSM AUSTRALIA PARTNERS

Tutu

TUTU PHONG
Partner

Perth, WA
Dated: 26 September 2022

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	30-Jun-22 \$	25-May-21 to 31-Jun-21 \$
Other income	4	249	-
Administrative expenses	5	(407,744)	-
Compliance and regulatory expenses		(78,785)	-
Consulting and corporate expenses	5	(107,246)	-
Marketing and investor relations		(38,353)	-
Legal fees		(12,195)	-
Impairment expense	10	(1,653,189)	-
Other expenses		(32,544)	(5,500)
Loss from continuing operations before income tax		(2,329,807)	(5,500)
Income tax expense	6	-	-
Loss from continuing operations after income tax		(2,329,807)	(5,500)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Other comprehensive income for the year, net of tax		(2,329,807)	(5,500)
Total comprehensive loss attributable to the members of Aurum Resources Limited		(2,329,807)	(5,500)
Loss per share for the year attributable to the members of Aurum Resources Limited:			
Basic and diluted loss per share (\$)	7	(0.11)	-

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	30-Jun-22 \$	30-Jun-21 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	3,181,723	1
Trade and Other Receivables	9	16,074	-
Prepayments	9	12,977	-
Total current assets		3,210,774	1
Non-Current Assets			
Property, plant and equipment		4,285	-
Exploration and evaluation expenditure	10	234,448	-
Total Non-Current Assets		238,733	-
Total assets		3,449,507	1
LIABILITIES			
Current liabilities			
Trade and other payables	11	81,496	5,500
Total current liabilities		81,496	5,500
Total liabilities		81,496	5,500
Net assets/(liabilities)		3,368,011	(5,499)
EQUITY			
Issued capital	12	5,394,506	1
Reserves	19	308,812	-
Accumulated losses	20	(2,335,307)	(5,500)
Total equity		3,368,011	(5,499)

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
At 1 July 2021	1	-	(5,500)	(5,499)
Loss for the year	-	-	(2,329,807)	(2,329,807)
Total comprehensive loss for the year after tax	-	-	(2,329,807)	(2,329,807)
Transactions with owners in their capacity as owners:				
Issue of share capital (note 12)	6,000,000	-	-	6,000,000
Share issue costs (note 12)	(605,495)	-	-	(605,495)
Share-based payments (note 15)	-	308,812	-	308,812
Balance at 30 June 2022	5,394,506	308,812	(2,335,307)	3,368,011
At 25 May 2021 (Incorporation)	-	-	-	-
Loss for the period	-	-	(5,500)	(5,500)
Total comprehensive loss for the period after tax	-	-	(5,500)	(5,500)
Transactions with owners in their capacity as owners:				
Issue of share capital	1	-	-	1
Share issue costs	-	-	-	-
Share-based payments	-	-	-	-
Balance at 30 June 2021	1	-	(5,500)	(5,499)

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	30-Jun-22 \$	25-May-21 to 30-Jun-21 \$
Cash flows from operating activities			
Payment to suppliers and employees		(629,653)	-
Interest received		205	-
Net cash outflow from operating activities		(629,448)	-
Cash flows from investing activities			
Payments for plant and equipment		(4,511)	
Payments for purchase of exploration projects	10	(200,000)	
Payments for exploration and evaluation expenditure	10	(687,637)	-
Net cash outflow from investing activities		(892,148)	-
Cash flows from financing activities			
Proceeds from issued shares	12	5,000,000	1
Share issue costs		(296,683)	-
Net cash inflow from financing activities		4,703,317	1
Net increase in cash and cash equivalents		3,181,722	1
Cash and cash equivalents at the beginning of the year		1	-
Cash and cash equivalents at the end of the year		3,181,723	1

The Statement of Cash Flows is to be read in conjunction
with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Aurum Resources Limited (referred to as “Aurum” or the “Company”) is a company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The nature of the operations and principal activities of the Company are described in the Directors’ Report.

(b) Basis of Preparation

Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board (“IASB”). Aurum Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are authorised for issue on 26 September 2022 by the directors of the Company.

Basis of measurement

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

New, revised or amended standards and interpretations adopted

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

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

New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2022. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(i) Comparatives

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

(ii) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

(iii) Functional and presentation currency

The financial statements have been presented in Australian dollars, which is the Company’s functional currency.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) Current and non-current classification

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

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

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

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

(v) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

(vi) Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(vii) Fair value measurement

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions in these financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Share-based payment transactions

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

Coronavirus (COVID-19) pandemic

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

NOTE 3 SEGMENT INFORMATION

The Company operates only in one reportable segment being predominately in the area of gold exploration in Australia. The Board considers its business operations in gold exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

Accounting Policy

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

NOTES TO THE FINANCIAL STATEMENTS**NOTE 4 OTHER INCOME**

	2022	2021
	\$	\$
Interest income	249	-
	249	-

Accounting Policy**Interest**

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

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established. All revenue is stated net of the amount of goods and services tax.

NOTE 5 EXPENSES

	2022	2021
	\$	\$
(a) Administrative expenses		
Company secretarial and financial management fees	96,740	-
Directors and CEO salaries	222,000	-
Superannuation on directors and CEO salaries	28,200	-
Directors and officers insurance	34,688	-
Other expenses	26,116	-
	407,744	-
(b) Consultancy and corporate expenses		
Corporate advisory fees	66,000	-
Consulting fees	41,246	-
	107,246	-

NOTE 6 INCOME TAX

	2022	2021
	\$	\$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	(2,329,807)	(5,500)
Prima facie tax benefit on loss before income tax at 30% (2021: 30%)	(698,942)	(1,650)
 Tax effect of:		
Amounts not deductible in calculating taxable income	698,942	1,650
Changes in unrecognised temporary differences	-	-
Tax losses not recognised	-	-
Income tax expense/(benefit)	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 INCOME TAX (continued)

(c) **Deferred tax assets not brought to account are:**

Accruals	-	5,500
Exploration	(26,852)	-
Tax losses	386,560	-
Other	107,182	-
Total deferred tax assets not brought to account	<u>466,890</u>	<u>5,500</u>

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2022 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the expenditure to be realised; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the expenditure.

Accounting Policy

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

Current Tax

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

Deferred Tax

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 INCOME TAX (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

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

NOTE 7 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2022 \$	2021 \$
Net loss for the year	<u>(2,329,807)</u>	<u>(5,500)</u>
Weighted average number of ordinary shares for basic and diluted loss per share.	20,712,329	1
Basic and diluted loss per share (\$)	(0.11)	-

Accounting Policy

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash at bank and in hand	3,181,723	1
Short-term deposits	-	-
	3,181,723	1

The Company's exposure to interest rate and credit risks is disclosed in Note 13.

(a) Reconciliation of net loss after tax to net cash flows from operations

	2022 \$	2021 \$
Loss for the financial year	(2,329,807)	(5,500)
<i>Adjustments for:</i>		
Depreciation	225	-
Impairment expense	1,653,189	-
<i>Changes in assets and liabilities</i>		
Trade and other receivables	(29,051)	-
Trade and other payables	75,996	5,500
Net cash used in operating activities	(629,448)	-

(b) Non-cash investing and financing activities

	2022 \$	2021 \$
Shares issued for acquisition of exploration and evaluation assets	1,000,000	-
Options issued to lead manager	308,812	-
	1,308,812	-

Accounting Policy

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made in varying periods between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

NOTE 9 TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
Prepayments	12,977	-
GST receivable	16,074	-
	29,051	-

(a) Allowance for expected credit losses

The Company has recognised a loss of \$nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2022 (2021: nil).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 TRADE AND OTHER RECEIVABLES (continued)

Accounting Policy

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or the assets or 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 as a current asset or liability in the statement of financial position.

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE

	2022 \$	2021 \$
Carrying amount of exploration and evaluation expenditure	234,448	-
At the beginning of the year	-	-
Projects acquired during the year ⁽ⁱ⁾	1,200,000	-
Exploration expenditure incurred during the year	687,637	-
Impairment expense ⁽ⁱⁱ⁾	(1,653,189)	-
At the end of the year	234,448	-

(i) During the year, the Company issued 4,999,999 shares at \$0.20 per share and \$200,000 in cash as consideration to Aldoro Resources Limited to acquire the Unaly Hill Project, Ryans Find Project and the Penny South Project as part of IPO arrangement.

(ii) The Company has made the decision to relinquish tenement E57/1048, resulting in the impairment of the Unaly Hill Project. The acquisition cost and expenditure to date of \$207,356 has been impaired during the period.

During the year, drilling at Penny South project failed to increase the perspective of the licence and a review of the project suggests that the project has little residual potential and discussions on exiting the project are underway. The directors found it is likely that exploration on the Penny South Project may not continue and any sale of the Penny South licence would not recover the exploration costs based on residual potential. The acquisition cost and expenditure to date of \$1,445,833 on Penny South tenement E57/1045 has been impaired accordingly.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE (continued)

Accounting Policy

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Company's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

NOTE 11 TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
Trade payables ⁽ⁱ⁾	20,172	-
Accrued expenses	37,000	5,500
Other payables	24,324	-
	81,496	5,500

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

Accounting Policy

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

NOTE 12 ISSUED CAPITAL

	2022		2021	
	No.	\$	No.	\$
Fully paid ordinary shares	30,000,000	5,394,506	1	1

Movement in ordinary shares

		No.	\$	\$
Balance at 1 July 2021		1	-	1
IPO shares	25/10/2021	25,000,000	\$0.20	5,000,000
Consideration shares	25/10/2021	4,999,999	\$0.20	1,000,000
Share issue costs		-	-	(605,495)
Balance at 30 June 2022		30,000,000	5,394,506	

Movement in ordinary shares

	No.	\$	\$
Balance at 25 May 2021 (incorporation)	1	\$1.00	1
Balance at 30 June 2021	1		1

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 ISSUED CAPITAL (continued)

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up in proportion to the number of and amounts paid on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Accounting Policy

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 Company reacquires its own equity instruments, for example, as a 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 the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Company are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Company's financial instruments are as follows:

	2022 \$	2021 \$
Financial Assets		
Cash and cash equivalents	3,181,723	1
Trade and other receivables	16,074	-
	3,197,797	1
Financial Liabilities		
Trade and other payables	81,496	5,500
	81,496	5,500

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk

(i) Foreign exchange risk

The Company was not significantly exposed to foreign currency risk fluctuations.

(ii) Interest rate risk

The Company is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Company's exposure to this risk relates primarily to the Company's cash and any cash on deposit. The Company does not use derivatives to mitigate these exposures. The Company manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2022		2021	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	0.01%	3,181,723	-	1

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year.

At 30 June 2022, if interest rates had moved, as illustrated in the table below, with all other variables held constant, equity would have been affected as follows:

	Profit higher/(lower) 2022 \$	Profit higher/(lower) 2021 \$
<i>Judgements of reasonably possible movements:</i>		
+ 1.0% (100 basis points)	31,817	-
- 1.0% (100 basis points)	(31,817)	-

(b) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Company's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Company's policy is to trade only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company except for cash and cash equivalents.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company does not have any external borrowings. The following are the contractual maturities of financial liabilities:

	1 year or less \$	1-5 years \$	> 5 years \$	Total \$
2022				
Trade and other payables	81,496	-	-	81,496
2021				
Trade and other payables	5,500	-	-	5,500

(d) Capital risk management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Company's development there are no formal targets set for return on capital. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

Accounting Policy

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

NOTE 14 RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below.

	2022 \$	2021 \$
Short-term employee benefits	282,000	-
Post-employment employee benefits	28,200	-
Equity benefits	-	-
	310,200	-

(b) Transactions with related parties

There were no other transactions with related parties during the year ended 30 June 2022 (30 June 2021: nil).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 SHARE-BASED PAYMENTS

	2022 \$	2021 \$
Recognised share-based payment transactions		
Options issued to Lead Manager ⁽ⁱ⁾	308,812	-
	308,812	-
<i>Represented by:</i>		
Share issue costs	308,812	-
	308,812	-

- (i) On 2 November 2021, the Company issued 2,800,000 unlisted options to Xcel Capital Pty Ltd, the Lead Manager, as part of the capital raising fee of the IPO placement.

The options issued to the Lead Manager of the Company, have been valued using the Hoadley ESO2 valuation model. The model and assumptions are shown in the table below:

Black Sholes Valuation Model	
	Lead Manager
Grant Date	29/10/2021
Expiry Date	21/10/2026
Strike (Exercise) Price	\$0.225
Underlying Share Price (at date of issue)	\$0.200
Risk-free Rate (at date of issue)	1.57%
Volatility	100%
Number of Options Issued	2,800,000
Dividend Yield	0%
Early Exercise Multiple	2.5x
Fair value per option	\$0.11
Total Fair Value of Options	\$308,812

Set out below are summaries of options granted during the financial year:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
29/10/2021	21/10/2026	\$0.225	-	2,800,000	-	-	2,800,000
			-	2,800,000	-	-	2,800,000

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 SHARE-BASED PAYMENTS (continued)

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

Grant date	Expiry date	2022 Number	2021 Number
29/10/2021	21/10/2026	2,800,000	-
		<u>2,800,000</u>	<u>-</u>

The weighted average share price of options outstanding at the end of the financial year was \$0.225 (2021: Nil).
The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.33 years (2021: Nil)

Accounting Policy:

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided by the Company.

Equity-settled transactions are awards of shares, or options over shares, that are provided by the Company in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 SHARE-BASED PAYMENTS (continued)

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

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

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

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

NOTE 16 COMMITMENTS

Tenement Commitments

	2022 \$	2021 \$
Below are the commitments in relation to its exploration and evaluation assets:		
Within one year	69,889	-
Later than one year but not later than five years	178,904	-
	248,793	-

NOTE 17 CONTINGENCIES

There are no contingent liabilities or assets as at 30 June 2022 (30 June 2021: Nil).

NOTE 18 AUDITOR'S REMUNERATION

	2022 \$	2021 \$
Amounts received or due and receivable by RSM Australia Partners for:		
Audit and review of the financial reports	32,500	5,500
Other services-RSM Australia Pty Ltd		
Independent Accountant's Report	12,000	
	44,500	5,500

NOTE 19 RESERVES

	2022 \$	2021 \$
Share-based payment reserve	308,812	-
Movement reconciliation		
Balance at beginning of the year	-	-
Options issued to Lead Manager (note 15)	308,812	-
Balance at the end of the year	308,812	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19 RESERVES (continued)

Reserves

The reserve is used to accumulate amounts from the issue of options.

NOTE 20 ACCUMULATED LOSSES

	2022 \$	2021 \$
Balance at beginning of the year	(5,500)	-
Loss after income tax for the year	(2,329,807)	(5,500)
Balance at end of the year	<u>(2,335,307)</u>	<u>(5,500)</u>

NOTE 21 DIVIDENDS

No dividend has been declared or paid during the year ended 30 June 2022 (30 June 2021: Nil). The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2022.

NOTE 22 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

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

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards.
- 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.

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

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001 and is signed for and on behalf of the Directors by:



Joshua Letcher
Non-Executive Chairman
26 September 2022

RSM Australia Partners

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AURUM RESOURCES LIMITED**

Opinion

We have audited the financial report of Aurum Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

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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 this matter
Exploration and Evaluation Expenditure Refer to Note 10 in the financial statements	
The Company has capitalised exploration and evaluation expenditure with a carrying value of \$234,448 as at 30 June 2022. During the year, the Company recognised an impairment expense of \$1,653,189 in relation to Unaly Hill and Penny South projects. We considered this to be a key audit matter due to the significant management judgements involved in assessing the carrying value of the asset including: • Determination of whether the exploration and evaluation expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; • Assessing whether exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined; and • Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss.	Our audit procedures included: • Assessing the Company's accounting policy for compliance with Australian Accounting Standards; • Assessing whether the Company's right to tenure of each relevant area of interest is current; • Agreeing, on a sample basis, additions of capitalised exploration and evaluation expenditure to supporting documentation, including assessing whether amounts are capitalised in accordance with the Company's accounting policy; • Assessing and evaluating management's assessment of whether any indicators of impairment existed at the reporting date; • Assessed the impairment expense recognised by the Company for the year ended; • Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; and • Enquiring with management and reading budgets and other supporting documentation to corroborate that active and significant operations in, or relation to, each relevant area of interest will be continued in the future.

Other Information

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

Our opinion on the financial report does not cover the other information and 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 preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2022.

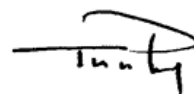
In our opinion, the Remuneration Report of Aurum Resources Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS



Perth, WA
Dated: 26 September 2022

TUTU PHONG
Partner

Corporate Governance Statement

The Board of Directors of Aurum Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

The Company's Corporate Governance Statement and policies can be found on its website at <https://www.aurumres.com.au>.

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 26 September 2022.

1. Fully paid ordinary shares

- There is a total of 30,000,000 fully paid ordinary shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 302.
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- There are no preference shares on issue.

2. Distribution of fully paid ordinary shareholders is as follows:

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	6	1,728	0.01%
1,001 - 5,000	23	78,507	0.26%
5,001 - 10,000	89	852,955	2.84%
10,001 - 100,000	142	5,563,860	18.55%
100,001 - 9,999,999,999	42	23,502,950	78.34%
Total	302	30,000,000	100.00%

3. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those whose shareholding is valued at less than \$500.

There are 20 shareholders who hold less than a marketable parcel of shares, amount to 0.13% of issued capital.

4. Substantial shareholders of ordinary fully paid shares

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Holding Balance	% of Issued Capital
ALDORO RESOURCES LIMITED	5,000,000	16.67%
THE PIONEER DEVELOPMENT FUND (AUST) LIMITED	3,500,000	11.67%
TELL CORPORATION PTY LTD	2,110,000	7.03%

5. Restricted Securities

There are 5,000,000 shares on issue that are subject to voluntary escrow restrictions or mandatory escrow restriction under ASX Listing Rules Chapter 9.

6. Share buy-backs

There is currently no on-market buyback program for any of Aurum Resources Limited's listed securities.

7. Voting rights of Shareholders

All fully paid ordinary shareholders are entitled to vote at any meeting of the members of the Company and their voting rights are on:

- Show of hands – one vote per shareholders; and
- Poll – one vote per fully paid ordinary share.

ASX Additional Information

8. Tax Status

The Company is treated as a public company for taxation purposes.

9. Major Shareholders

The Top 20 largest fully paid ordinary shareholders together held 69.94% of the securities in this class and are listed below:

Rank	Shareholders	Number Held	Percentage
1	ALDORO RESOURCES LIMITED	5,000,000	16.67%
2	THE PIONEER DEVELOPMENT FUND (AUST) LIMITED	3,500,000	11.67%
3	TELL CORPORATION PTY LTD	2,110,000	7.03%
4	PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	1,425,000	4.75%
5	RIMOYNE PTY LTD	1,402,903	4.68%
6	KALCON INVESTMENTS PTY LTD	897,500	2.99%
7	ST BARNABAS INVESTMENTS PTY LTD	805,000	2.68%
8	PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	705,000	2.35%
9	PACKER ROAD NOMINEES PTY LTD	700,000	2.33%
10	MR ROGER BLAKE & MRS ERICA LYNETTE BLAKE <THE MANDY SUPER FUND A/C>	600,000	2.00%
11	RIGI INVESTMENTS PTY LTD <THE CAPE A/C>	500,000	1.67%
12	AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	425,000	1.42%
13	NIGHTFALL PTY LTD <NIGHTFALL SUPER FUND A/C>	400,000	1.33%
13	WILDING RESOURCES PTY LTD	400,000	1.33%
14	SJ CAPITAL PTY LTD	382,854	1.28%
15	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	370,000	1.23%
16	MOSES ROCK INVESTMENTS PTY LTD <AARON CHARLES YOUNG SF A/C>	350,000	1.17%
17	MGL CORP PTY LTD	300,000	1.00%
18	LILLARD PTY LTD <CLUTCH A/C>	250,000	0.83%
19	XCEL CAPITAL PTY LTD	245,000	0.82%
20	MR STEPHEN TOMSIC <SIENNA TOMSIC A/C>	212,500	0.71%
Total: Top 20 holders of ORDINARY FULLY PAID SHARES		20,980,757	69.94%

10. Listed Options

The company does not have listed options on issue as at 26 September 2022.

11. Unlisted Options

Number of Options	Exercise Price	Expiry Date	Holders
2,800,000	\$0.225	21 October 2026	2

12. Franking Credits

The Company has no franking credits.

13. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited under Security Code AUE.

ASX Additional Information

14. Registered Office

Suite 11, 12, Level 2, 23 Railway Road
Subiaco WA 6008
Telephone: 08 6559 1792
Website: <https://www.aurumres.com.au>

15. Company Secretary

Mr Mauro Piccini

16. Share Registry

Automatic Share Registry
Level 5, 191 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664

17. Tenement Schedule

Mining tenement interests held at 26 September 2022 and their location

Western Australia

TENEMENT	REGISTERED HOLDER / APPLICANT	Permit Status	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	Interest / Contractual Right
E16/489	Aldoro Resources Ltd	Granted	27-Jan-17	26-Jan-27	15BL	100%
E57/1045	Altilium Metals Pty Ltd	Granted	10-Aug-16	9-Aug-26	4BL	100%