

For personal use only



ABN 86 125 049 550

Annual Report
For the year ended 30 June 2021

CORPORATE DIRECTORY

ABN 86 125 049 550

Directors

Seamus Cornelius (Non-Executive Chairman)
Eamon Hannon (Managing Director)
Anthony Maslin (Non-Executive Director)
Feng Xue (Non-Executive Director)
Stuart Fogarty (Non-Executive Director)

Chief Executive Officer

Eamon Hannon

Company Secretary

Sam Wright

Registered Office

Suite 1, First Floor
14 – 16 Rowland Street
Subiaco WA 6008

Principal Place of Business

Suite 1, First Floor
14 – 16 Rowland Street
Subiaco WA 6008
Telephone: +61 8 9380 6063
Facsimile: +61 8 9381 4056

Postal Address

PO Box 661
Nedlands WA 6909

Solicitors

Fairweather Corporate Lawyers
Suite 2, 589 Stirling Highway
Cottesloe, Western Australia 6011

Share Register

Computershare Investor Services Pty Limited
Level 2, 45 St George's Terrace
Perth, Western Australia 6000
Telephone: +61 8 9323 2000

Auditors

Rothsay Auditing
Level 1, Lincoln Building
4 Ventnor Avenue
West Perth WA 6005

Stock Exchange

Australian Securities Exchange
Level 40 Central Park
152 – 158 St George's Terrace
Perth, Western Australia 6000
ASX code: BUX

Website Address

www.buxtonresources.com.au



[@BuxtonResources](https://twitter.com/BuxtonResources)

CONTENTS

Review of Operations	4
Directors' Report	18
Auditors' Independence Declaration	29
Corporate Governance Statement	30
Statement of Profit or Loss and Other Comprehensive Income	31
Statement of Financial Position	32
Statement of Changes in Equity	33
Statement of Cash Flows	34
Notes to the Financial Statements	35
Directors' Declaration	53
Independent Audit Report	54
Shareholder information	58

Review of Operations

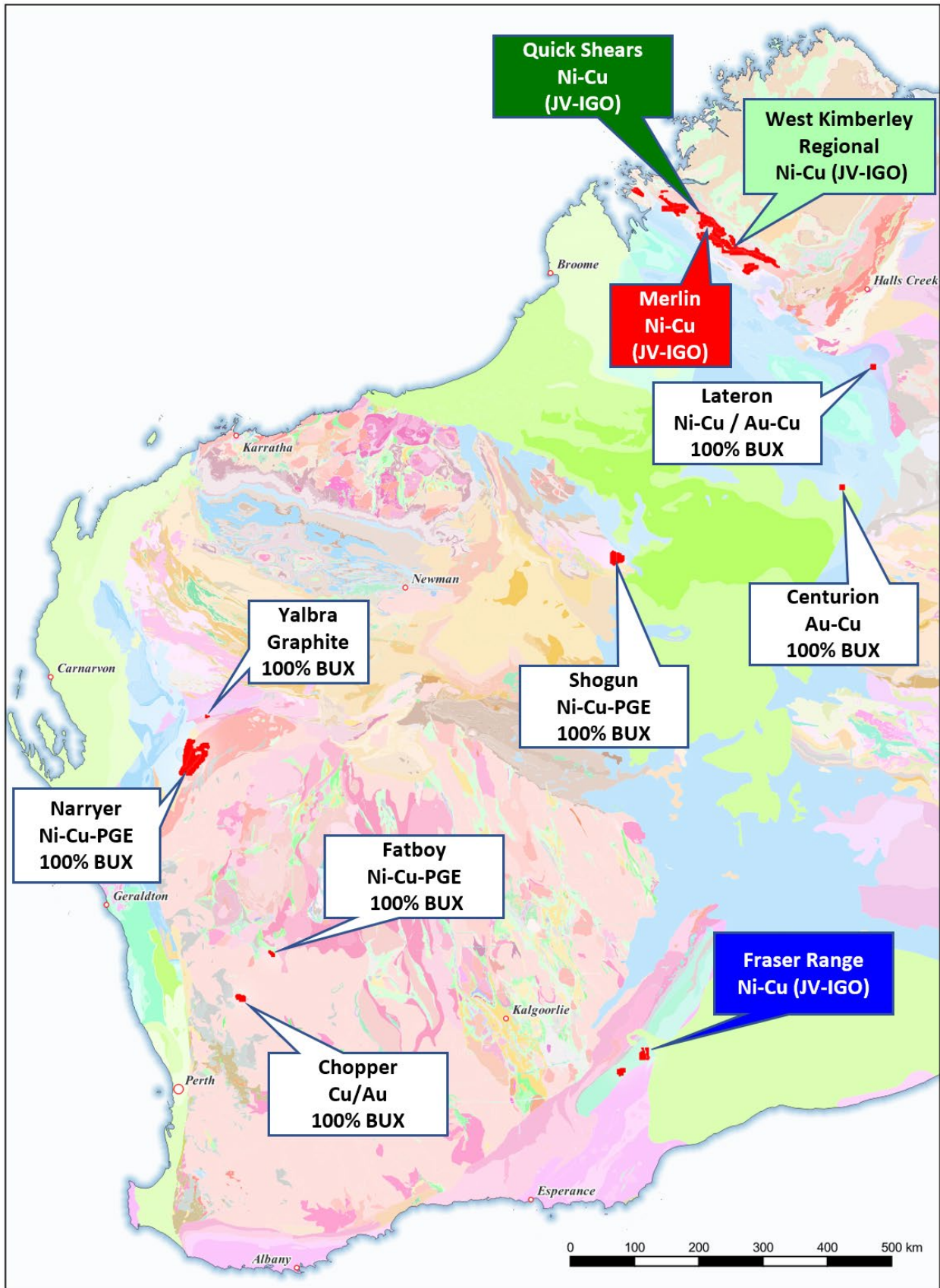


Figure 1: Buxton's WA exploration project portfolio overlaid on GSWA's 1:500k bedrock geology. Buxton has pegged several new, 100% owned land positions in WA as a direct result of rigorous generative work over past Quarters.

For personal use only

Review of Operations

West Kimberley Project (BUX/IGO JV)

The West Kimberley Project is targeting Nova-style magmatic Ni-Cu sulphide mineralisation in Proterozoic belts of the West Kimberley Region of Western Australia.

In FY2021, IGO conducted due diligence at the Merlin and Quick Shears targets. In FY2022, work will shift to the Sentinel area (IGO/BUX JV), where geological, geochemical and EM geophysical surveys will also commence. New heritage protection agreements have ratified with several Native Title groups in the West Kimberley which has enabled the 2021 field program to include reconnaissance mapping, soil sampling and stream sampling and ground EM over target areas identified from IGO’s airborne geophysical surveys.

Narryer Project (100% BUX)

The Narryer Project is targeting magmatic Ni-Cu-PGE sulphide mineralisation along the Yilgarn Craton margin in a similar setting to DM1’s recent sulphide discoveries at Innouendy and Irrida Hill prospects. During the period Buxton continued to progress the three applications to grant.

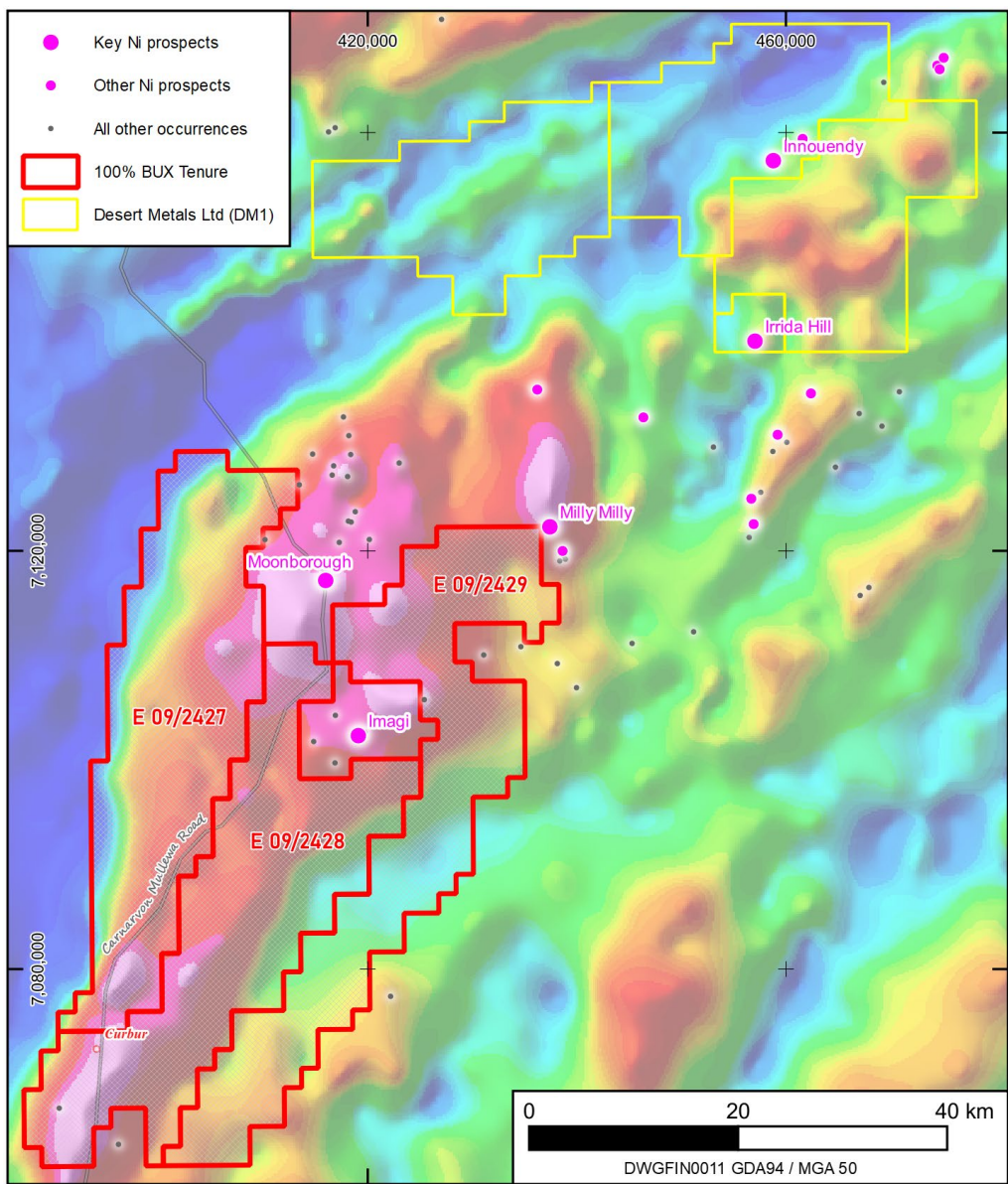


Figure 2: Narryer Project tenements on gravity image

For personal use only

Review of Operations

Yalbra Project (BUX 100%)

The Yalbra Graphite Project is located 250km northwest of Meekatharra and 280km East of Carnarvon, Western Australia. In July 2014, Buxton completed the most recent of a series of RC and Diamond drilling programs. An updated JORC compliant Mineral Resource Estimate was calculated for the main zone of graphite mineralisation located within the boundaries of E09/1985. The Inferred Mineral Resource at Yalbra is 4.0Mt @ 16.2% TGC, using a 4% TGC cut-off (see ASX announcement 24th October 2014).

During the year, Elmore Ltd have reviewed Buxton's extensive library of sample material and undertaken flotation test work with a view to utilising their process equipment and technical expertise to develop an optimised metallurgical process for the Yalbra Project.

Lateron Project (BUX 100%)

The Lateron Project presently consists of application for Exploration License E80/5545 on unclaimed crown land approximately 10 km East of Billiluna and 150 km South of Halls Creek in Western Australia.

This application covers magnetic anomalies related to sulphide bearing mafic / ultramafic intrusions intersected during historic exploration in the early 1980s which for which assays were not reported at the time, and which have not since been followed-up.

Historic diamond drilling by AFMECO in 1982 targeted roll front uranium mineralization in Paleozoic sediments. One of these holes intersected shallow "basement" rocks at 77.5 m vertical depth in hole S-19. The drill logs for this hole indicate the basement lithology consists of "basic, foliated, coarse grained pyroxenite containing abundant pyrite, hematitic quartz veins and dolerite differentiations". AFMECO reported no geochemical assay results for any of their drill holes which were instead systematically logged by a geophysical tool sensitive only to uranium mineralisation.

Detailed (150 m line spaced) airborne magnetic surveys indicate that this suite of mafic-ultramafic intrusive rocks is partially remnantly magnetised and underlies an area of approximately 7 km².

Recent (2017) airborne gravity surveying indicates that a discrete gravity anomaly is also associated with these intrusions (Figure 3).

Buxton intends to investigate the potential for magmatic and/or hydrothermal base & precious metal mineralisation associated with these sulphide bearing intrusions.

Review of Operations

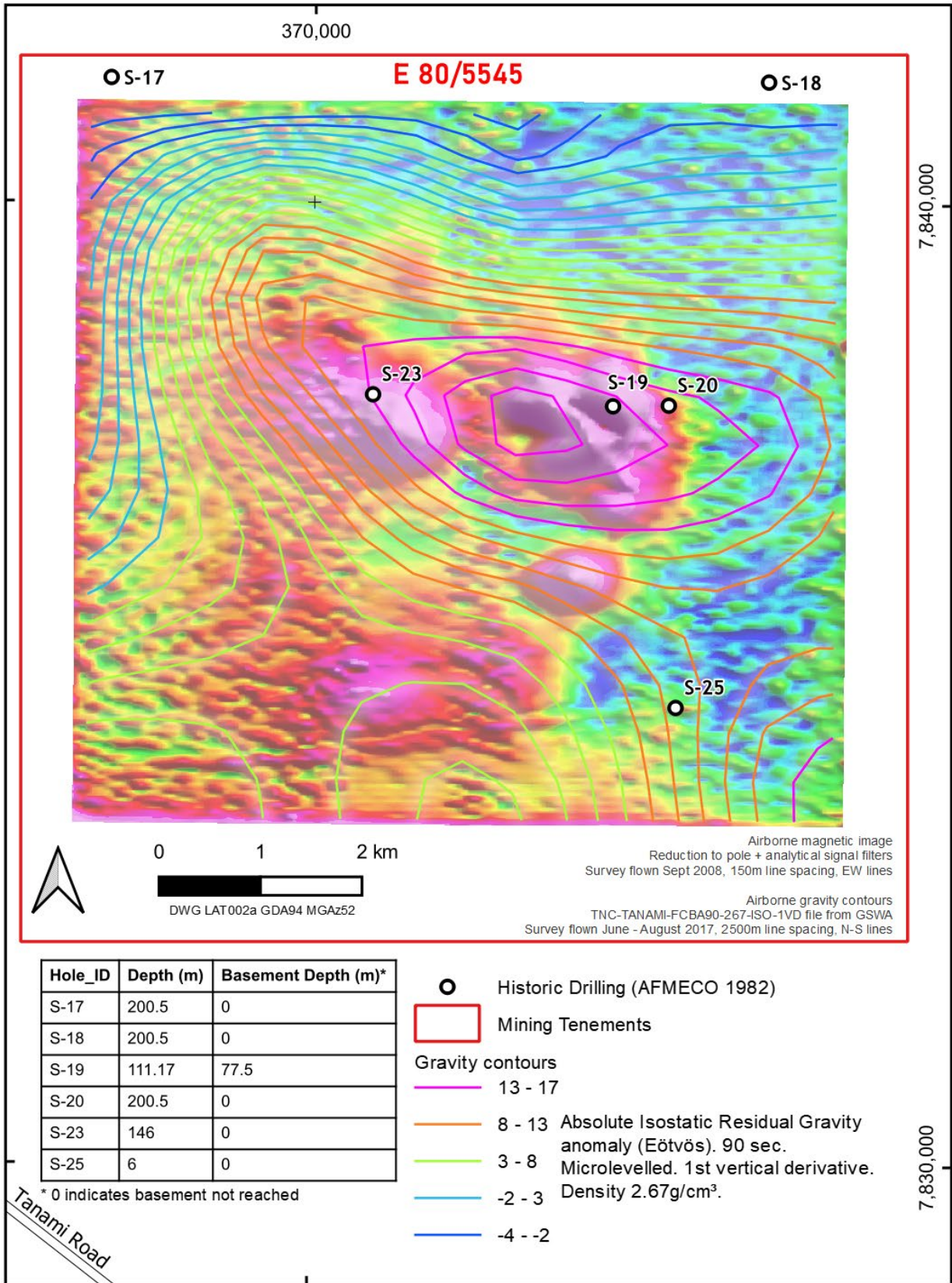


Figure 3: Lateron Project airborne magnetic image (analytical signal filter) with airborne gravity contours. Historic diamond drilling by AFMECO in 1982 targeting roll front uranium mineralization intersected shallow “basement” rocks at 77.5 m vertical depth in hole S-19 comprising a “basic foliated coarse grained pyroxenite containing abundant pyrite, hematitic quartz veins and dolerite differentiations”. No assays were reported, and the other AFMECO drillholes in the tenement did not penetrate the cover sequence.

Review of Operations

Centurion Project (BUX 100%)

Buxton previously lodged an application for Exploration License E80/5579 located approximately 180 km south-southwest of Balgo Western Australia on unclaimed crown land and accessible via shire roads and several 1960s-1980s seismic lines.

This license covers a prominent dipolar magnetic anomaly exceeding 1,500 nanoteslas in amplitude and 3,500 m by 5,000 m in extent. The GSWA have recently released data from a 2017 Falcon airborne gravity gradiometer survey which reveals a similarly dipolar gravity high in a slightly offset position to the magnetic feature (Figure 4). Such relationships between magnetic and gravity features is characteristic of Iron Oxide Copper Gold deposits including Olympic Dam and Prominent Hill.

During the year Buxton was provided results from Magnetic Vector Inversion of open file 400 m line spaced magnetic data thanks to IGO Ltd (Figure 5). This inversion indicates that the target is remnantly magnetised and is approximately 700 metres below ground level.

Buxton intends to incorporate analysis of gravity and seismic datasets, along with progressing access agreements to support infill ground gravity and magneto-telluric surveys and a co-funded drilling grant proposal.

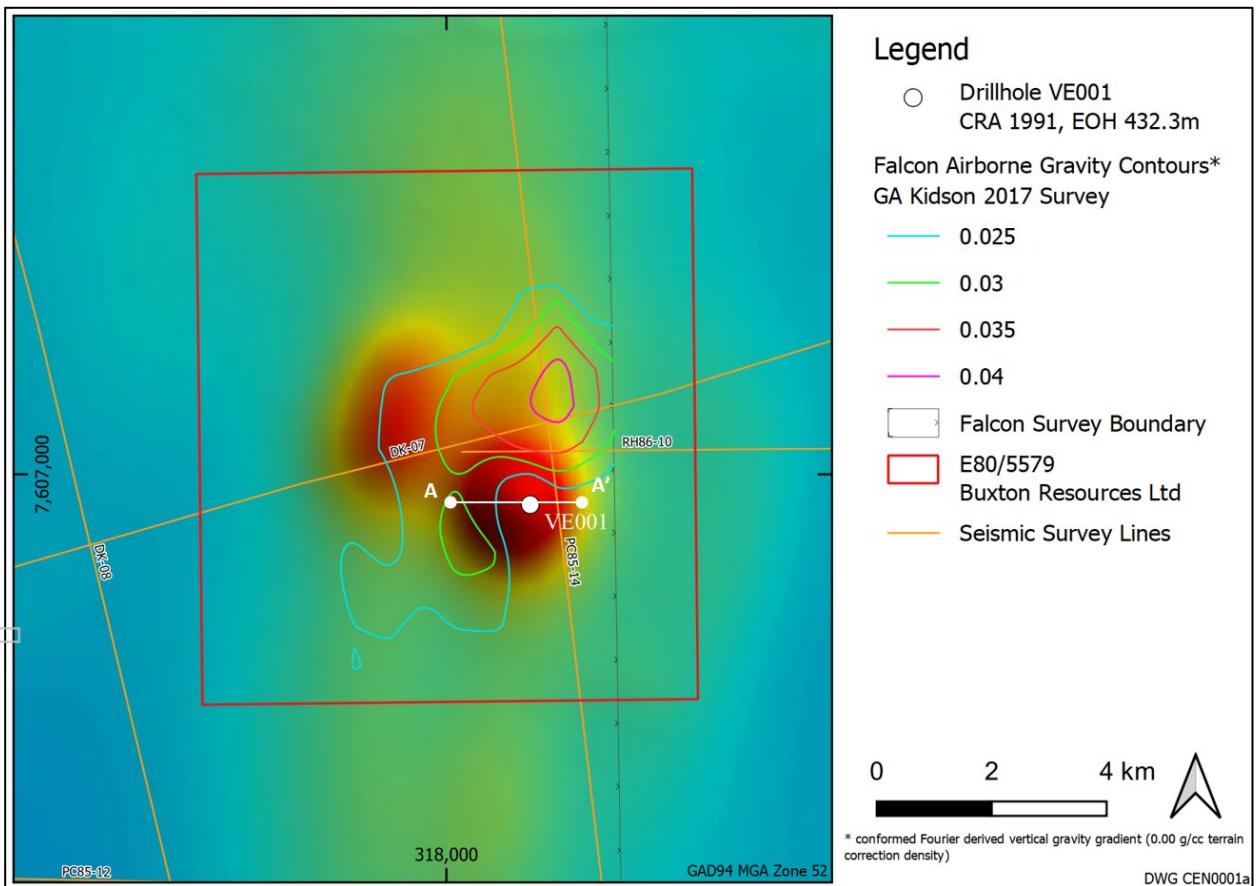


Figure 4: Centurion Project summary geophysical target map showing CRA drillhole VE001, contoured 1VD airborne gravity gradiometer data from the recently released Kidson 2017 survey on GSWA’s open-file magnetic imagery. Note that the airborne gravity survey only partially covers the Exploration License.

Review of Operations

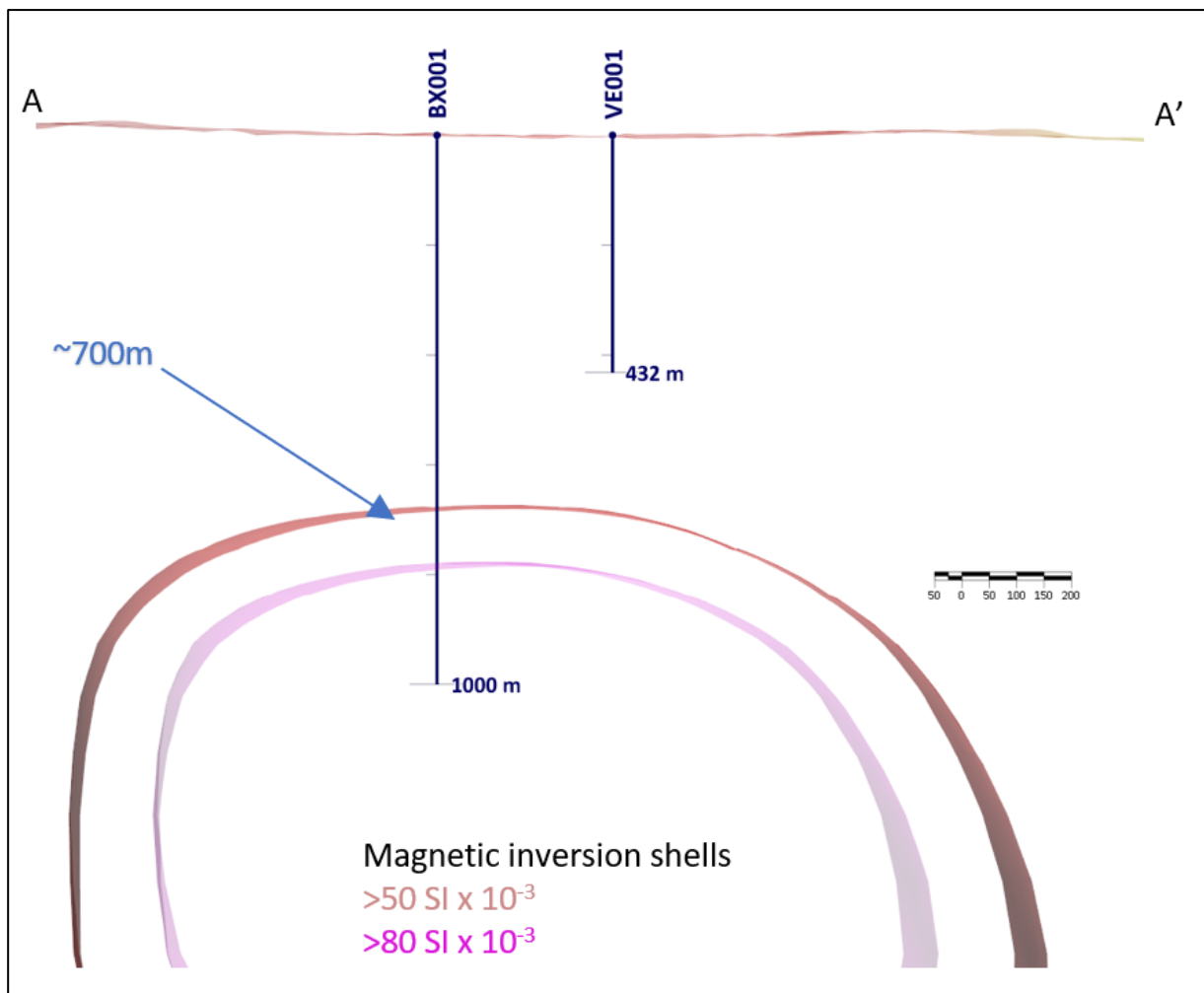


Figure 5: Centurion Project cross section A-A' (see Figure 1 for location). The airborne magnetic data inversion by IGO Ltd is presented as shells with the historic CRA hole VE001 and an indicative planned hole BX001.

Shogun Project (BUX 100%)

Buxton lodged application for Exploration License E45/5961 on 21st July 2021. The new application is contiguous with Buxton's application E45/5892 lodged in previous Quarter. Together these two applications cover an area of 451 km² approximately 170 km southeast of Telfer in Western Australia on unclaimed crown land adjacent to the Canning Stock Route (Figure 6).

The Shogun Project is located within the Tabletop Terrane of the Rudall Province and the Paterson Orogen. The Rudall Province forms a northwest trending belt of deformed and metamorphosed Proterozoic sedimentary and igneous rocks which are located along the West Australian Craton margin.

Unconsolidated windblown and alluvial sediments cover virtually the entire Tabletop Terrane, however historic exploration, including regional airborne magnetic and electromagnetic data along with exploration company mapping and shallow drilling indicate that this cover sequence is typically <20m thick in the Project area.

Previous exploration in this area by MIM in the late 1970s-early 1980s targeted diamondiferous kimberlites and tin. During this phase of work the nearby shear-hosted Cu–Ag–Au–Pt–Pd mineralization at Copper Hills was discovered and this prospect has subsequently experienced the most exploration activity.

Review of Operations

Buxton has identified a series of high amplitude density anomalies from a recently released Falcon helicopter gravity gradiometer survey flown by GSWA in 2017 (Figure 7). These anomalies cover an aggregate area of 33.5 km².

MIM's work within the Shogun Project area included soil geochemistry, heavy mineral concentrate (HMC) sampling, and shallow (maximum 24 m depth) percussion drilling. MIM's HMC sampling identified an unusual emerald-green spinel (the precise mineralogy was not confirmed), red spinel and enstatite (orthopyroxene) close to one of the new gravity gradiometry anomalies. MIM's soil sampling included assays for nickel, and the highest nickel assay (183 ppm) correlates with the highest amplitude gravity gradiometry anomaly despite the surficial dune systems that blanket the Project area. Elsewhere in the district, MIM's HMC sample analysis identified tremolite, platinoids and chromite. Of the five drillholes in the Project area, only one (TP 170) penetrated the cover sequence at 10 m depth to intersect a doleritic lithology which was not sampled for geochemistry or petrology. These data from MIM's work indicate that substantial volumes of magic-ultramafic intrusive rocks are located within the Project area.

One of the gravity gradiometry anomalies is also a prominent magnetic feature. This was baptised the "Blaine Plug" by Marengo Mining who were also targeting diamonds. Marengo drilled hole BLC001 in 2004 and this RC hole intersected serpentinised peridotite below 33 m of unconsolidated cover sediments.

Marengo's assays suggest that this peridotite is tholeiitic and highly depleted in nickel and PGE (Figure 8). The two least weathered samples (solid squares on the graphs below) average ~0.2% sulphur, and petrological analysis of drill chips from this interval report traces of chalcopyrite and violarite (copper and nickel bearing sulphide minerals). This geochemical signature is highly encouraging for Ni-Cu-PGE exploration as it suggests that a sulphur saturation event may have occurred close to the present erosional level and is presently within reach of modern high powered electrical geophysical tools.

Serpentinisation is a post-magmatic alteration process that commonly affects ultramafic rocks and typically results in the formation of magnetite. This explains the Blain Plug magnetic anomaly. However, these alteration zones may be structurally controlled and localised. Any unaltered zones within the mafic-ultramafic intrusions would therefore not form prominent airborne magnetic anomalies although they will likely be evident as prominent gravity anomalies. Given the recent availability of high-resolution gravity in the area, such intrusions may now be readily apparent for the first time as depicted on Figure 7.

In summary, the Shogun Project presents several excellent regional and prospect-scale prospectivity indicators for magmatic nickel-copper-PGE mineralisation related to the Proterozoic-Cambrian Large Igneous Provinces in the region.

Buxton will continue to progress these applications toward grant during the coming Quarters. Field reconnaissance will be conducted when access to the Canning Stock Route Track becomes possible.

Review of Operations

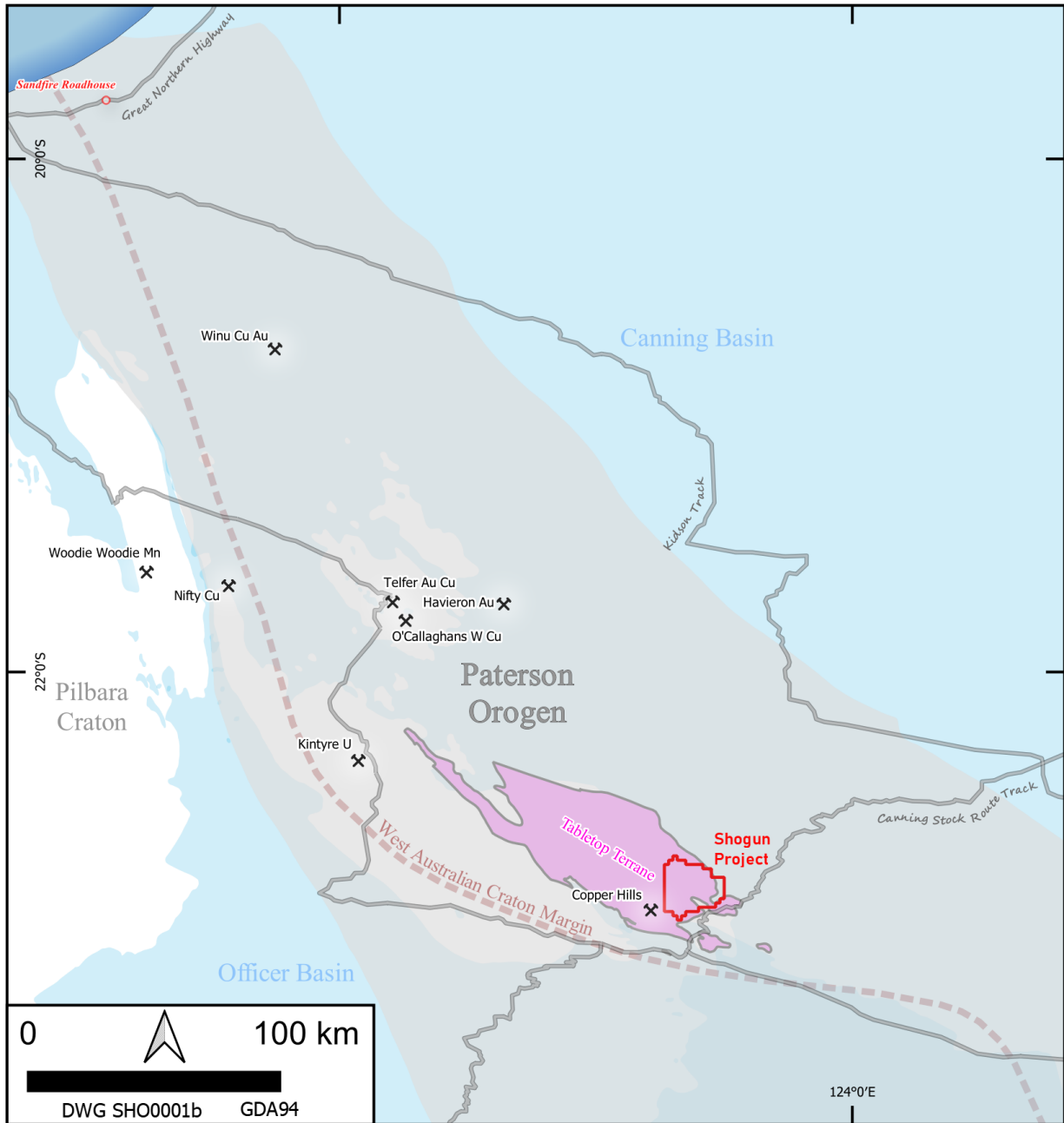


Figure 6: Shogun Project location map showing BUX's EL applications, several other major mineral deposits related to the Paterson Orogen / Tabletop Terrane (GSWA, 2017), the nearby Copper Hills prospect, and the inferred trace of the West Australian Craton margin (GA, 2018).

Review of Operations

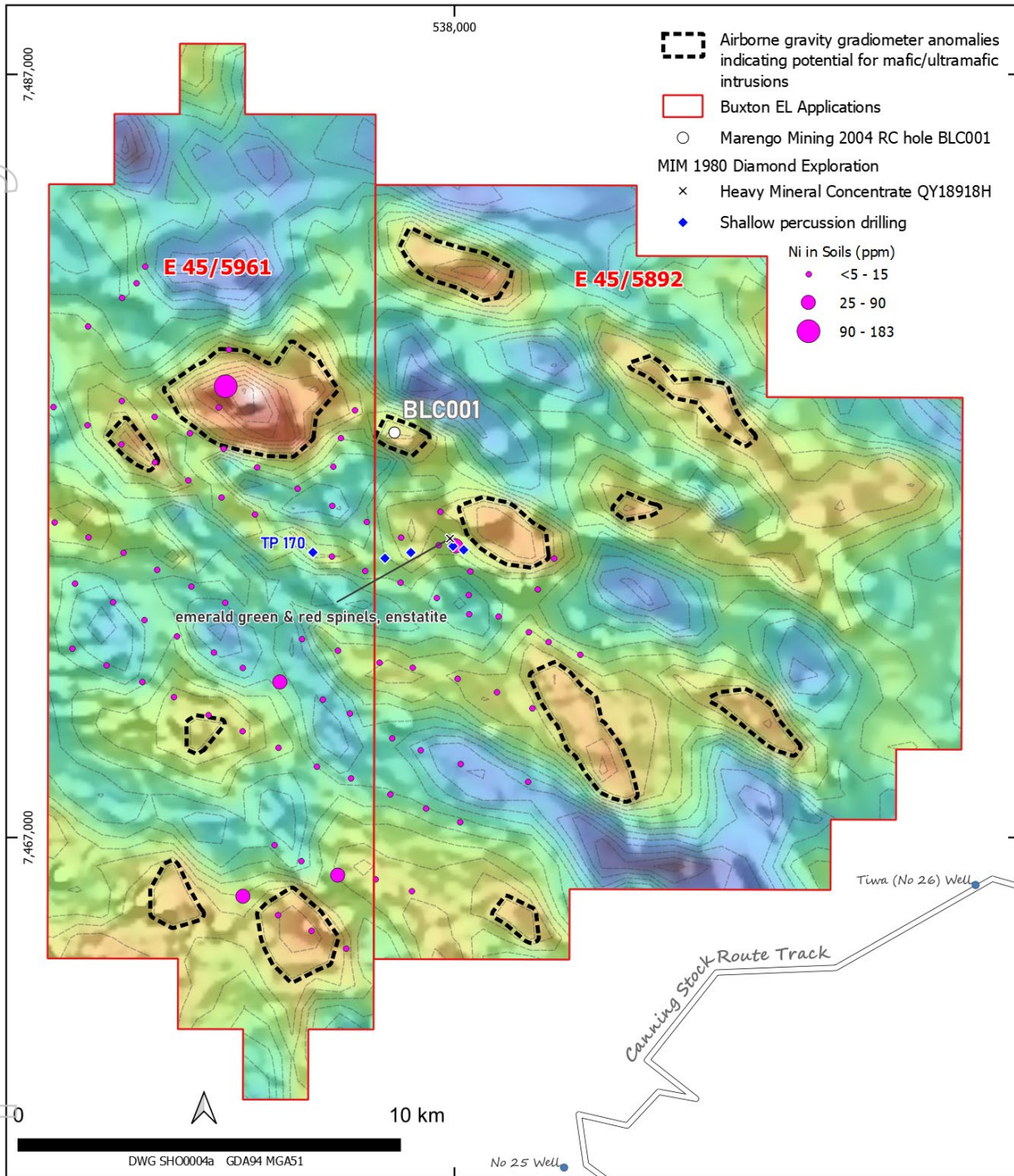


Figure 7: Gravity contours / colour image (1VD of gdd) on 1VD magnetic greyscale background. Application E45/5961 was submitted during the current Quarter. The map shows several of the factors supporting Ni-Cu-PGE prospectivity, including chalcophile depleted ultramafic rocks intersected in BLC001, mafic rocks in TP 170 (other holes did not reach basement), mafic-ultramafic indicator minerals in HMC sampling (including unusual spinel colours) and elevated nickel in soils. All drilling and soils data are shown. No additional historical sampling has been undertaken in any of the gravity anomalies. The project is readily accessible along the Canning Stock Route Track.

Review of Operations

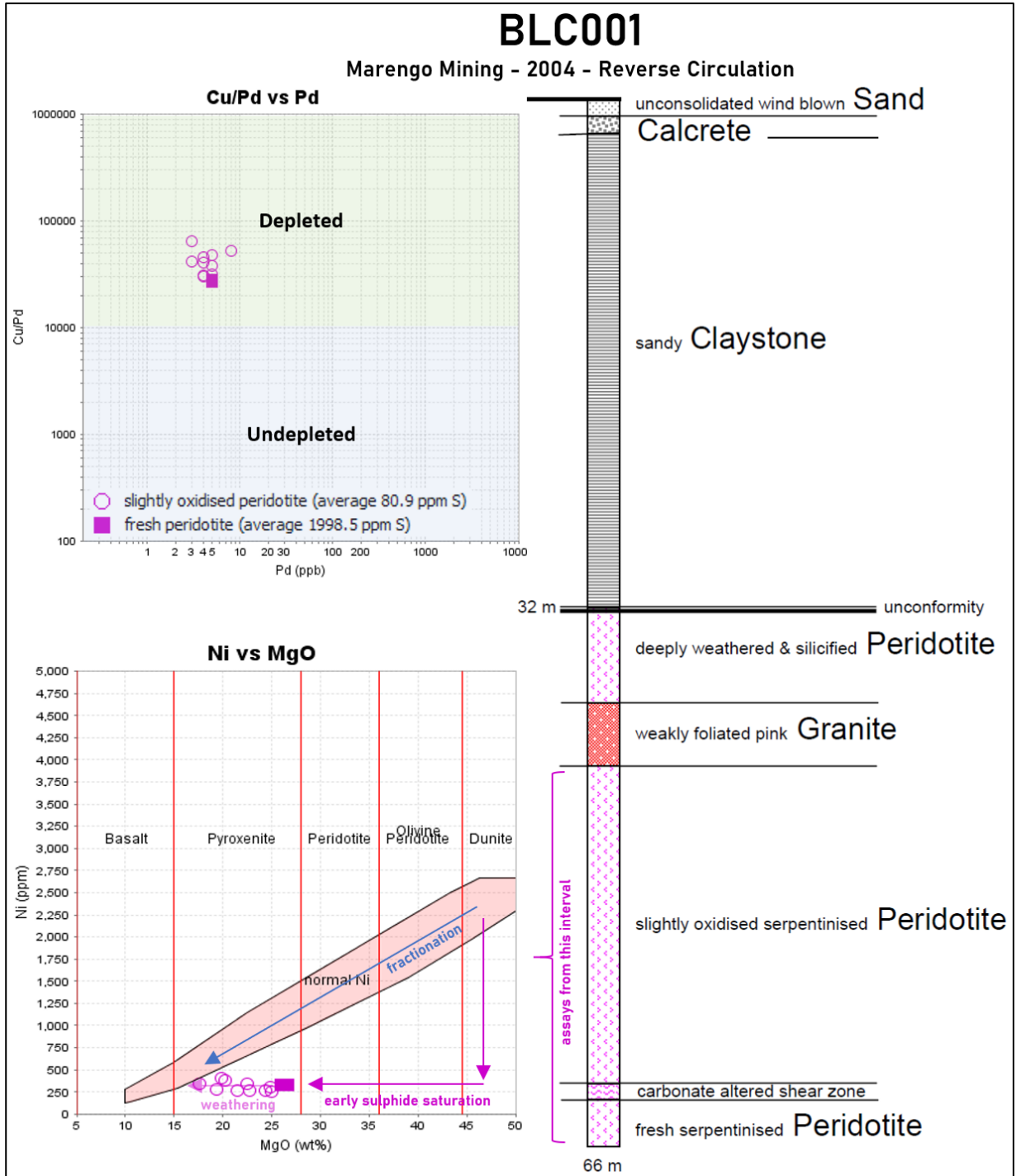


Figure 8: Buxton's compilation of drill log with assay data from below 42m for Marengo Mining 2004 RC hole BLC001. The assays indicate the peridotite is highly depleted in Ni-Cu-PGE. A sulphide saturation and segregation event has therefore occurred during the magmatic emplacement of the Blaine peridotite. These "missing" metals have potentially been concentrated and preserved as a massive sulphide deposit associated with ultramafic intrusive rocks nearby.

Review of Operations

Chopper Project (BUX 100%)

During the year, Buxton lodged an application for Exploration License E 70/5819, located near Dalwallinu in Western Australia. The application covers a drainage basin that hosts water bores with anomalous copper analyses in sampling by the WA Department of Water (Figure 9).

Buxton considers the area to have potential for skarn/porphyry style copper-gold mineralisation related to porphyritic and magnetite/amphibole bearing granitoids and tightly folded metasediments similar to the Caravel Copper Project. Buxton will undertake further data review, compilation and field assessment.

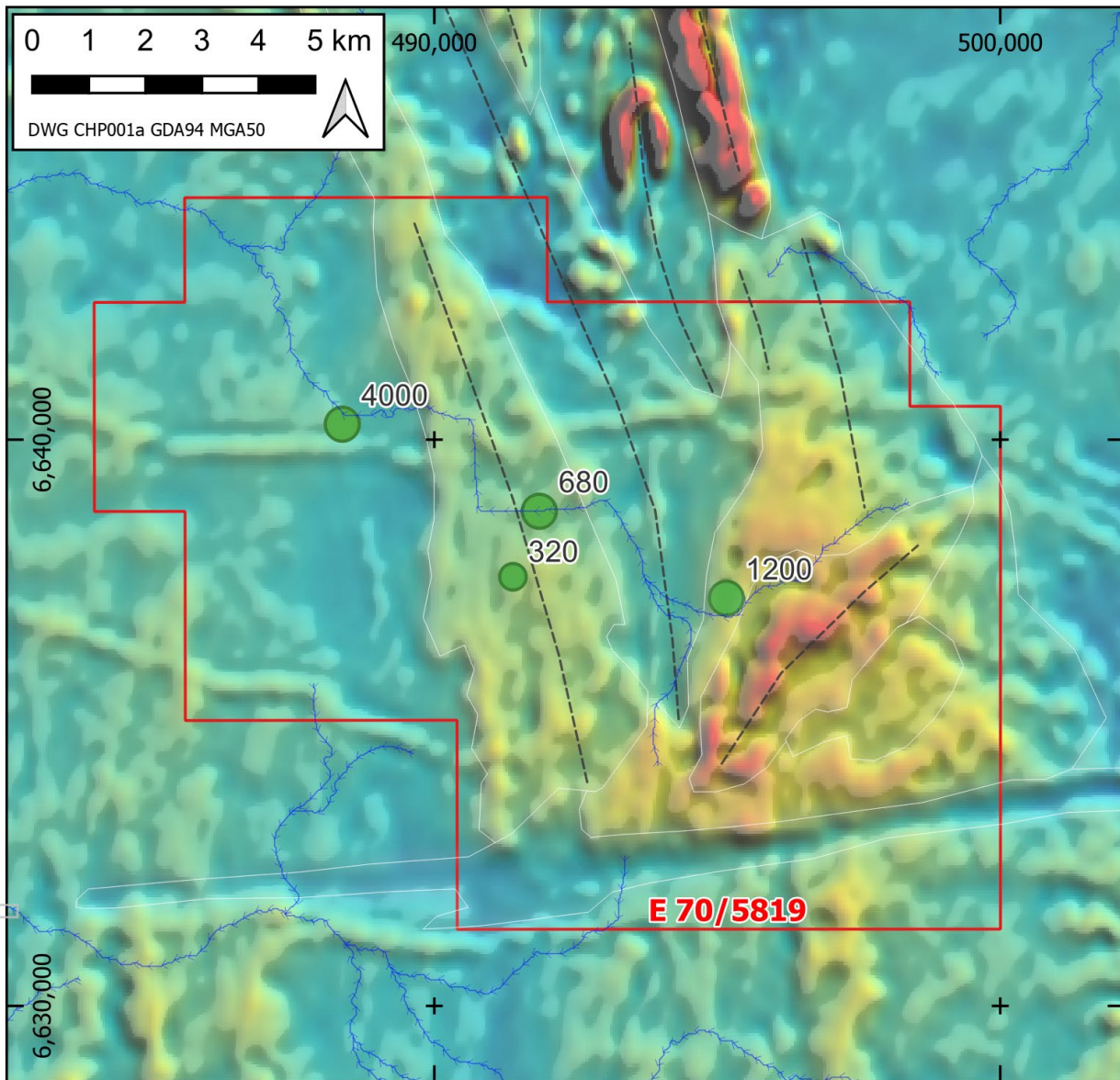


Figure 9: Chopper Project E70/5819 with copper (ug/l) in DoW water monitoring bores, drainage vectors and open file magnetics imagery with interpreted fold axes and generalised magnetic units. Groundwaters become more acidic in the lower reaches of the drainage, resulting in higher copper solubility / abundances (4,000 ug/l result). More neutral groundwaters occur in the upper reaches where 1,200 ug/l Cu was recorded. This pattern suggests a potentially proximal source for the copper in the southeast of the license application where an anomalous structural orientation is evident in the mag.

Review of Operations

Fatboy Project (BUX 100%)

Buxton lodged an application for Exploration License E 59/2595, located 90 km northeast of Wubin in Western Australia, on 12th July 2021.

The Fatboy application covers a structurally anomalous “keel zone” in the mafic-ultramafic Singleton Formation, which is part of the Yalgoo-Singleton greenstone belt. The keel zone consists of an ultramafic rocks which GSWA 1:250,000 scale mapping indicates form the basal part of the Mt Singleton Syncline mafic / ultramafic sequence. These rocks may represent the feeder system to the large volumes of mafic/ultramafic rock found in the syncline.

The tenement covers an area where the keel zone appears to have been structurally dislocated from its basal position and juxtaposed against the main body of the syncline at the current erosional level. Several gravity anomalies are apparent in this area and unconsolidated sediments appear to cover the southernmost portion of the keel zone (Figure 10).

The only previous exploration in the tenement was undertaken by Dragon Energy in 2013 targeting Mt Gibson style gold mineralisation. Their work was limited to stream sediment sampling which highlights the keel structure zone as being most anomalous in Cu/Ni. Dragon surrendered the license as the gold results were not anomalous.

Buxton considers the tenement to be prospective for Ni-Cu-PGE deposits. Further data review, compilation, stakeholder engagement and field assessment will be conducted.

Review of Operations

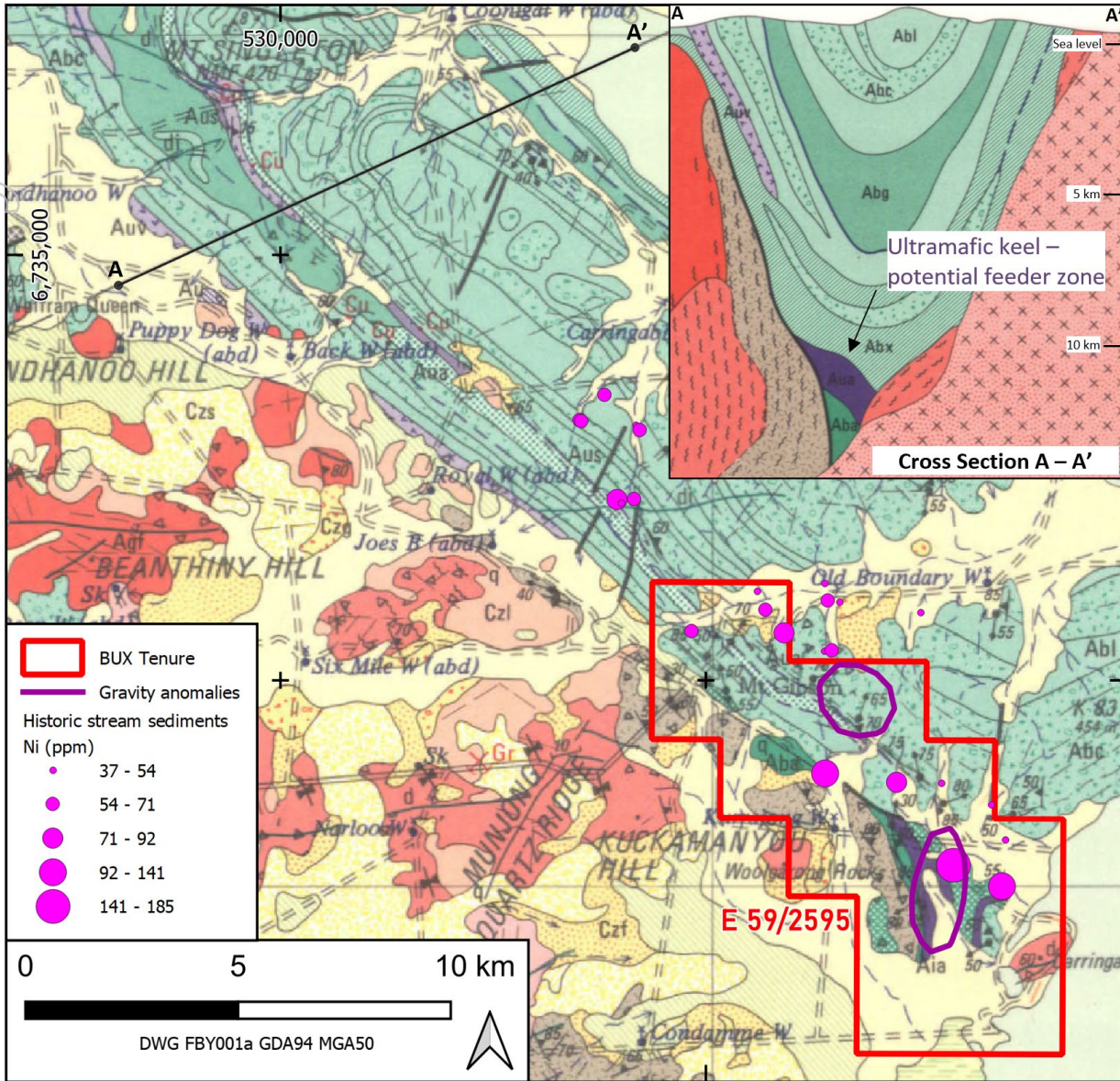


Figure 10: Fatboy Project geological map and section (from GSWA Ninghan 1:250,000 sheet) with BUX tenure, open-file gravity anomalies, Dragon Energy stream sediments.

Copper Wolf Project (BUX 100%)

Buxton has staked 54 lode mining claims in Yavapai County Arizona over a historic copper exploration project. Buxton is currently assessing historical information and will release further information on this project once this review has been completed.

Review of Operations

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr Eamon Hannon, Member of the Australasian Institute of Mining and Metallurgy, and Mr Martin Moloney, Member of the Australian Institute of Geoscientists. Mr Hannon and Mr Moloney are full-time employees of Buxton Resources. Mr Hannon and Mr Moloney have sufficient experience which is relevant to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hannon and Mr Moloney consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

CORPORATE

During the year total exploration expenditure incurred by the Company amounted to \$377,418 (2020: \$1,299,204). In line with the Company's accounting policies, all exploration expenditure is written off as incurred. The operating loss after income tax for the year ended 30 June 2021 was \$1,202,807 (2020: \$1,139,600).

ANNUAL GENERAL MEETING

Buxton held its Annual General Meeting of Shareholders on 20 November 2020 at Level 2, 45 Richardson Street, West Perth, Western Australia and all resolutions that were put were unanimously passed via a poll.

COVID-19 PANDEMIC IMPACT

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Company entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Directors' Report

Your directors submit their report for the year ended 30 June 2021.

DIRECTORS

The names of the Company's directors in office during the year and until the date of this report are as follows:

- Mr Seamus Cornelius - Non-Executive Chairman
- Mr Eamon Hannon - Managing Director
- Mr Anthony Maslin - Non-Executive Director
- Mr Feng Xue – Non-Executive Director
- Mr Stuart Fogarty - Non-Executive Director

Directors were in office for this entire period.

COMPANY SECRETARY

Mr Sam Wright

INFORMATION ON DIRECTORS

Mr Seamus Cornelius - Non-Executive Chairman

Qualifications: B.Juris, LLB, LLM

Mr Cornelius brings to the Board 21 years of corporate experience in both legal and commercial negotiations. Mr Cornelius lived and worked as a corporate lawyer in China for 17 years. He was based in Shanghai and Beijing between 1993 and 2010. From 2000 to 2010 he was an international partner with one of Australia's leading law firms and specialised in dealing with cross border investments, particularly in energy and resources. Mr Cornelius has for many years advised large international companies on their investments in China and in recent years has advised Chinese state-owned entities on their investments in natural resource projects outside of China including in Australia.

Mr Cornelius is also currently the Non-Executive Chairman of Duketon Mining Limited (since 8 February 2013), E25 Limited (since 30 June 2011) and Danakali Limited (since 15 July 2014).

Mr Eamon Hannon - Managing Director

Qualifications: BSc (Geol)

Mr Hannon, a geologist and Fellow of the AusIMM, has a wealth of experience within the minerals industry from grass roots exploration through to project development. Having previously worked for Fortescue Metals Group (ASX: FMG) from early 2004 to late 2012 in the role of Director, Exploration and Evaluation, he led the teams to delineate in excess of 10 billion tonnes of iron ore resources and greater than 1 billion tonnes of iron ore reserves.

During his 20 years of experience, Mr Hannon has explored for and developed gold, base metals and industrial materials over 4 continents and more than 10 countries including Tanzania, Mexico, Mongolia, New Zealand, Sweden and Australia. He was integral to the major mining development of the Svartliden gold mine in Scandinavia. In addition, Mr Hannon was the Director for the Bankable Feasibility Study of Fortescue Metals

Directors' Report

Group's Solomon mine. The Solomon mine at 60 million tonnes per annum iron ore production was the single biggest tonnage start up mine in Australia's mining history. The feasibility was signed off for construction by the Fortescue Board with full Environmental Approval in under 18 months.

During the past 3 years Mr Hannon has not served as a director of any other listed company.

Mr Anthony Maslin - Non-Executive Director

Qualifications: B.Bus (Finance and Enterprise)

Mr Maslin brings to the Board 20 years of corporate experience in both management and promotion, along with an extensive understanding of financial markets.

In his 6 years as a stockbroker at Hartley Poynton Stockbrokers in Perth, Mr Maslin was instrumental in the capital raisings and promotion of several resource development companies. In the subsequent 7 years in his role as founding Managing Director of Solar Energy Systems Ltd (Now Solco Ltd (ASX Code: SOO)) he had significant experience in capital raisings and management of both people and projects. Mr Maslin has also worked as a corporate promotion consultant to a number of listed companies.

Mr Maslin is the founder and Non-Executive Chairman of Wide-Open Agriculture Limited (since 23 March 2015)

During the past 3 years Mr Maslin has not served as a director of any other listed company.

Mr Feng Xue - Non-Executive Director

Mr. Xue is an experienced mining executive and entrepreneur based in Shanghai. He currently serves as one of the experts on the strategic decision committee of China CEFC Energy Company Limited and as the General Manager of Projects Management & Procurement Centre of China CEFC Energy Company Limited.

During the past 3 years Mr Xue has not served as a director of any other listed company.

Mr Stuart Fogarty - Non-Executive Director

Qualifications: B.Sc (Geology) (Hons)

Mr Fogarty has over 20 years of exploration experience with BHP Billiton and Western Mining Corporation. Stuart was BHP's Senior Exploration Manager for North and South America and currently serves as the Managing Director of Duketon Mining.

Mr Fogarty has a very strong background in nickel exploration, having commenced his career at Kambalda Nickel Operations in 1994. He has had senior roles with BHP including Senior Geoscientist for nickel exploration in the Leinster and Mt Keith region, Project Manager WA Nickel Brownfields and Regional Manager Australia/Asia where he was responsible for \$100 million per annum exploration budget.

Mr Fogarty is currently Managing Director of Duketon Mining Limited (since 21 October 2013). More recently, Mr Fogarty was a Non-executive Director of Windward Resources during the successful takeover of the company by Independence Group.

Directors' Report

Mr Sam Wright - Company Secretary

Sam Wright has over fifteen years' experience in the administration of ASX listed companies, corporate governance and corporate finance. He is a member of the Australian Institute of Company Directors, the Financial Services Institute of Australasia, and the Chartered Secretaries of Australia.

Mr Wright is currently the Finance Director and Company Secretary of ASX listed company, PharmAust Limited. He is a Non-Executive Director & Company Secretary for ASX listed company, Structural Monitoring Systems plc.

Mr Wright is Company Secretary for ASX listed companies, Buxton Resources Limited and Wide-Open Agriculture Limited. He has also filled the role of Director and Company Secretary with a number of unlisted companies.

Mr Wright is the Managing Director of Perth-based corporate advisory firm Straight Lines Consultancy, specialising in the provision of corporate services to public companies.

Mr Wright has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, and shareholder relations with both retail and institutional investors.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Buxton Resources Limited were:

	Ordinary shares	Options over Ordinary Shares Unlisted
Seamus Cornelius	1,952,055	1,000,000
Eamon Hannon	485,492	1,500,000
Anthony Maslin	791,197	1,000,000
Feng Xue	-	1,000,000
Stuart Fogarty	-	1,000,000

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the acquisition of mining tenements, and the exploration and evaluation of these tenements with the objective of identifying economic mineral deposits.

DIVIDENDS

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

Directors' Report

OPERATING AND FINANCIAL REVIEW

Finance Review

At the reporting date the Company had cash and term deposit investments of \$2,803,691 (2020: \$3,910,650). Funds are being used to actively pursue the Company's exploration projects.

During the year total exploration expenditure incurred by the Company amounted to \$377,418 (2020: \$1,299,204). In line with the Company's accounting policies, all exploration expenditure is written off as incurred.

Other expenses for the year included share-based payments of \$nil (2020: \$217,694) and salaries of \$589,378 (2020: \$622,062).

The operating loss after income tax for the year ended 30 June 2021 was \$1,202,807 (2020: \$1,139,600).

Operating Results for the Year

Summarised operating results are as follows:

	2021	
	Revenues	Results
	\$	\$
Revenues and loss from ordinary activities before income tax expense	114,066	(1,202,807)
Shareholder Returns		
	2021	2020
Basic loss per share (cents)	(0.89)	(0.84)

Directors' Report

Risk Management

The Board is responsible for ensuring that risks and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholder's needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 22 September 2021, Buxton announced it been granted a large, contiguous package of exploration licenses within the Narryer Terrane, Western Australia and will immediately commence exploration.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above no matters or circumstances have arisen which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is subject to significant environmental regulation in respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

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

Directors' Report

REMUNERATION REPORT (Audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Buxton Resources Limited for the financial year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for 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, including any director (whether executive or otherwise) of the Company.

Key Management Personnel

The directors and other key management personnel of the Company during or since the end of the financial year were:

Directors

Seamus Cornelius – Non-Executive Chairman

Eamon Hannon - Managing Director

Anthony Maslin – Non-Executive director

Feng Xue – Non-Executive Director

Stuart Fogarty – Non-Executive director

The named persons held their current positions for the whole of the financial year and since the financial year.

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of Buxton Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The board of Buxton Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The relevant directors and executive receive a superannuation guarantee contribution required by the government, which is currently 9.50% (10% from 1 July 2021) and do not receive any other retirement benefits.

Directors' Report

REMUNERATION REPORT (Audited) (continued)

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance based remuneration

The Company currently has no performance-based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and directors' and executives' remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance.

Details of remuneration

Details of the remuneration of the directors, the key management personnel (as defined in AASB 124 *Related Party Disclosures*) and specified executives of Buxton Resources Limited are set out in the following table.

The key management personnel of Buxton Resources Limited include the directors as per page 18 above.

Given the size and nature of operations of Buxton Resources Limited, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Directors' Report

Remuneration of Key management personnel

Key Management Personnel remuneration for the years ended 30 June 2021 and 30 June 2020:

	Short-term		Post-employment	Share based payments	Total	Value of options as proportion of remuneration %
	Salary & Fees \$	Bonus \$	Superannuation \$	Share options \$		
Directors						
Seamus Cornelius						
2021	40,000	-	3,800	-	43,800	-
2020	40,000	-	950	23,036	63,986	36.00
Eamon Hannon						
2021	180,000	-	17,100	-	197,100	-
2020	180,000	-	17,100	34,555	231,655	14.92
Anthony Maslin						
2021	25,000	-	2,375	-	27,375	-
2020	25,000	-	2,375	23,036	50,411	45.70
Feng Xue ⁽¹⁾						
2021	-	-	-	-	-	-
2020	-	-	-	23,036	23,036	100.00
Stuart Fogarty						
2021	25,000	-	2,375	-	27,375	-
2020	25,000	-	2,375	23,036	50,411	45.70
Director's total						
2021	270,000	-	25,650	-	295,650	-
2020	270,000	-	22,800	126,699	419,499	30.20

Service agreements

The Company has an Executive Service Agreement with Mr Eamon Hannon.

Under the Agreement, Mr Hannon is engaged by the Company to provide services to the Company in the capacity of Chief Executive Officer for a period of 12 months upon which time the Board will conduct a performance review. Mr Hannon is paid a base salary of \$180,000, plus statutory superannuation.

At any time either party may terminate the agreement without cause on 45 days written notice. There is no termination period over and above the Company's statutory obligations.

Directors' Report

Share-based compensation

No options were issued during the year to key management personnel (2020: 5,500,000 options).

No options were exercised during the year by key management personnel.

A total of 4,400,000 options (2020: 9,200,000) previously granted to key management personnel as part of their compensation lapsed unexercised on 30 June 2021. The fair value of those options was \$574,938 (2020: \$546,226).

Options granted, exercised or lapsed during the year in relation to key management personnel as part of their remuneration:

	Value of options granted at the grant date	Value of options exercised at the exercised date	Value of options lapsed at the date of lapse
	\$	\$	\$
Directors			
Seamus Cornelius	-	-	(78,401)
Eamon Hannon	-	-	(261,334)
Anthony Maslin	-	-	(78,401)
Feng Xue	-	-	(78,401)
Stuart Fogarty	-	-	(78,401)

Options granted carry no dividend or voting rights.

Key Management Personnel Equity Holdings

2021

	Balance at start of the year	Received during the year on the conversion of performance rights	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Ordinary shares					
Directors					
Seamus Cornelius	1,957,055	-	-	-	1,957,055
Eamon Hannan	485,492	-	-	-	485,492
Anthony Maslin	791,197	-	-	-	791,197
Feng Xue	-	-	-	-	-
Stuart Fogarty	-	-	-	-	-

2020

	Balance at start of the year	Received during the year on the conversion of performance rights	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Ordinary shares					
Directors					
Seamus Cornelius	1,582,055	-	-	375,000	1,957,055
Eamon Hannan	350,000	-	-	135,492	485,492
Anthony Maslin	791,197	-	-	-	791,197
Feng Xue	-	-	-	-	-
Stuart Fogarty	-	-	-	-	-

Directors' Report

Key Management Personnel Equity Holdings (continued)

2021	Balance at start of the year	Granted	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Unlisted options							
Directors							
Seamus Cornelius	1,600,000		-	(600,000)	1,000,000	1,000,000	-
Eamon Hannan	3,500,000		-	(2,000,000)	1,500,000	1,500,000	-
Anthony Maslin	1,600,000		-	(600,000)	1,000,000	1,000,000	-
Feng Xue	1,600,000		-	(600,000)	1,000,000	1,000,000	-
Stuart Fogarty	1,600,000		-	(600,000)	1,000,000	1,000,000	-
2020							
2020	Balance at start of the year	Granted	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Unlisted options							
Directors							
Seamus Cornelius	2,600,000	1,000,000	-	(2,000,000)	1,600,000	1,600,000	-
Eamon Hannan	5,200,000	1,500,000	-	(3,200,000)	3,500,000	3,500,000	-
Anthony Maslin	2,600,000	1,000,000	-	(2,000,000)	1,600,000	1,600,000	-
Feng Xue	1,400,000	1,000,000	-	(800,000)	1,600,000	1,600,000	-
Stuart Fogarty	600,000	1,000,000	-	-	1,600,000	1,600,000	-

END OF REMUNERATION REPORT (Audited)

DIRECTORS' MEETINGS

The number of meetings of the company's Board of Directors held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Attended	Held
Seamus Cornelius	3	3
Eamon Hannan	3	3
Anthony Maslin	3	3
Feng Xue	-	3
Stuart Fogarty	3	3

SHARES UNDER OPTION

At the date of this report there are 9,650,000 unlisted options over unissued ordinary shares.

Unlisted options	Number of options
Balance at the beginning of the year	15,000,000
Issued during the year	-
Lapsed during the year	(5,350,000)
Total number of options outstanding at the date of this report	9,650,000

Directors' Report

SHARES UNDER OPTION (CONTINUED)

This balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
30 November 2021	15.0	200,000
30 November 2023	15.0	9,450,000
Total number of options outstanding at the date of this report		9,650,000

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of Buxton Resources Limited against costs incurred in defending proceedings for conduct involving:

- (a) a wilful breach of duty; or
- (b) a contravention of sections 182 or 183 of the *Corporations Act 2001*,

as permitted by section 199B of the *Corporations Act 2001*.

The total amount of insurance contract premiums paid is \$19,968.

NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, Rothsay Auditing, or associated entities during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 29.

Signed in accordance with a resolution of the directors.



Seamus Cornelius
Non-Executive Chairman

Perth, 28 September 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the audit of Buxton Resources Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

Rothsay Auditing



Donovan Odendaal
Partner
28 September 2021



For personal use only

Annual Report Disclosure on Corporate Governance

Buxton Resources has established and continues to refine and improve procedures to ensure a culture of good corporate governance exists and is respected across the Company.

The Company has a written policy designed to ensure compliance with ASX Listing Rules and all other regulatory requirements for disclosures. Additionally, the Company has adopted a policy designed to ensure procedures to implement the policy are suitable and effective.

The Board wishes to acknowledge that nothing has come to its attention that would lead it to conclude that its current practices and procedures are not appropriate for an organisation of the size and maturity of the Company. The Corporate Governance Policy and the Company's corporate governance practices is set out on the Company's web site at www.buxtonresources.com.au.

For personal use only

Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2021

	Note	The Company	
		2021 \$	2020 \$
REVENUE	4	114,066	1,600,922
EXPENDITURE			
Depreciation expense		(2,004)	(16,252)
Employee benefits expense		(589,378)	(622,062)
Exploration expenses		(377,418)	(1,299,204)
Impairment of exploration assets		(36,717)	(93,376)
Corporate expenses		(221,406)	(296,957)
Share based payment expense	18	-	(217,694)
Administration costs		(102,180)	(245,665)
Loss from operating activities		(1,215,037)	(1,190,288)
Financial income	4	14,762	50,688
Financial expenses		(2,532)	-
Net financing income		12,230	50,688
LOSS BEFORE INCOME TAX		(1,202,807)	(1,139,600)
INCOME EXPENSE	6	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF BUXTON RESOURCES LIMITED		(1,202,807)	(1,139,600)
Loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)			
Basic loss per share	25	(0.89)	(0.84)
Diluted loss per share	25	(0.89)	(0.84)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

AS AT 30 JUNE 2021

	Note	The Company	
		2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	7	2,675,691	3,782,650
Trade and other receivables	8	10,136	49,177
Other financial assets	9	128,000	128,000
Other current assets	10	14,455	14,110
TOTAL CURRENT ASSETS		2,828,282	3,973,937
NON-CURRENT ASSETS			
Exploration Asset	11	761,819	798,536
Plant and equipment	12	6,031	8,035
TOTAL NON-CURRENT ASSETS		767,850	806,571
TOTAL ASSETS		3,596,132	4,780,508
CURRENT LIABILITIES			
Trade and other payables	13	65,863	47,432
TOTAL CURRENT LIABILITIES		65,863	47,432
TOTAL LIABILITIES		65,863	47,432
NET ASSETS		3,530,269	4,733,076
EQUITY			
Issued capital	14	24,234,892	24,234,892
Reserve	15	236,590	885,700
Accumulated losses	16	(20,941,213)	(20,387,516)
TOTAL EQUITY		3,530,269	4,733,076

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

YEAR ENDED 30 JUNE 2021

	Note	Issued Capital \$	Accumulated Losses \$	Share-based payment Reserve \$	Total \$
The Company					
BALANCE AT 1 JULY 2019		24,234,892	(20,040,285)	1,460,375	5,654,982
Loss for the year	16	-	(1,139,600)	-	(1,139,600)
TOTAL COMPREHENSIVE LOSS		-	(1,139,600)	-	(1,139,600)
Issue of options		-	-	217,694	217,694
Expiry of options		-	792,369	(792,369)	-
BALANCE AT 30 JUNE 2020		24,234,892	(20,387,516)	885,700	4,733,076
BALANCE AT 1 JULY 2020		24,234,892	(20,387,516)	885,700	4,733,076
Loss for the year	16	-	(1,202,807)	-	(1,202,807)
TOTAL COMPREHENSIVE LOSS		-	(1,202,807)	-	(1,202,807)
Expiry of options		-	649,110	(649,110)	-
BALANCE AT 30 JUNE 2021		24,234,892	(20,941,213)	236,590	3,530,269

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

YEAR ENDED 30 JUNE 2021

	Note	The Company	
		2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		76,566	368,318
Payments to suppliers and employees		(880,704)	(1,199,465)
Expenditure on mining interests		(374,971)	(1,331,131)
Government grants received		50,000	62,500
Interest received		24,682	43,985
Interest paid		(2,532)	-
NET CASH USED IN OPERATING ACTIVITIES	24	(1,106,959)	(2,055,793)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	(1,182)
Proceeds from sale of plant and equipment		-	275,000
Payment for exploration interest		-	(36,717)
Proceeds from sale of exploration interests		-	1,000,000
NET CASH FROM INVESTING ACTIVITIES		-	1,237,101
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(1,106,959)	(818,692)
Cash and cash equivalents at the beginning of the financial year		3,782,650	4,601,342
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	2,675,691	3,782,650

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

Notes to the Financial Statements

30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for Buxton Resources Limited as an individual entity. The financial statements are presented in the Australian currency. Buxton Resources Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 28 September 2021. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

Compliance with IFRS

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

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(c) Revenue recognition

Sale of goods

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

Grant funding

Cash Boost, Job keeper and Exploration Incentive Scheme grants are recognised where there is reasonable assurance that the entity will comply with the conditions attached to the grants and that the grants will be received.

Other income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

Notes to the Financial Statements

(d) Income tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

Notes to the Financial Statements

(e) Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the company the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the company recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the company is reasonably certain to exercise and incorporate the Company's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$5,000 or less) are recognised as incurred as an expense in the income statement. Low value assets comprise computers and items of IT equipment. The company has no short-term leases nor leases of low value assets.

(f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

On the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

Notes to the Financial Statements

Classification and subsequent measurement (continued)

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over its profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term.
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has been expired or been transferred.
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e., it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Notes to the Financial Statements

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g., amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flow expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9:

- the general approach.
- the simplified approach.
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e., depending on the diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income.

For financial assets that are unrecognised (e.g., loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication

Notes to the Financial Statements

exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(i) Plant and equipment

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

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

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 50% per annum.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement profit or loss and other of comprehensive income. When revalued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(j) Exploration and evaluation costs

Exploration and evaluation costs, excluding the costs of acquiring tenements, are expensed as incurred. Acquisition costs will be assessed on a case-by-case basis and, if appropriate, they will be capitalised. These acquisition costs are carried forward only if the rights to tenure of the area of interest are current and either:

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

Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of Profit or Loss and Other Comprehensive Income in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the

Notes to the Financial Statements

financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(l) Issued capital

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.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners 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.

(ii) 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.

(n) Goods and Services Tax (GST)

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

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

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

(o) Application of new and revised International Financial Reporting Standards (AASBs)

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

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

New Standards and Interpretations on issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

Notes to the Financial Statements

(p) Critical accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation model and is based on the assumptions detailed in Note 9.

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. The consideration extends to the nature of 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.

Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the directors have elected for exploration assets relating to the acquisition of licenses to be carried at cost.

All other exploration and evaluation costs are expensed during the period in which they are incurred.

2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all board members to be involved in this process. The Chief Executive Officer, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk

As all operations are currently within Australia the Company is not exposed to foreign exchange risk.

(ii) Price risk

Given the current level of operations the Company is not exposed to price risk.

(iii) Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The balance of cash and cash equivalents for the Company subject to interest rate risk is \$2,675,691 (2020: \$3,782,650). The proportional mix of floating interest

Notes to the Financial Statements

rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Company was nil% (2020:1.07%).

Sensitivity analysis

At 30 June 2021, if interest rates had changed by +/- 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been \$31,793 lower/higher (2020: \$41,920 +/- 100 basis points) as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Company has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

3. SEGMENT INFORMATION

AASB 8: *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital.

Due to the size and nature of the Company, the Board as a whole has been determined as the chief operating decision maker.

The Company operates in one business segment and one geographical segment, namely mineral exploration industry in Australia only. AASB 8: *Operating Segments* states that similar operating segments can be aggregated

Notes to the Financial Statements

to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Company has therefore decided to aggregate all their segments into one reportable operating segment.

The revenues and results of this segment are those of the Company as a whole and are set out in the statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Company and are set out in the statement of financial position.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Company's accounting policies.

	The Company	
	2021	2020
	\$	\$
Exploration segment		
Segment revenue	76,566	1,538,422
Reconciliation of segment revenue to total revenue before tax:		
Other revenue	37,500	62,500
Interest revenue	14,762	50,688
Total revenue	128,828	1,651,610
Segment results	(755,947)	(397,126)
Reconciliation of segment result to net loss before tax:		
Share based payments	-	(217,694)
Other corporate and administration expenses	(446,860)	(524,780)
Net loss before tax	(1,202,807)	(1,139,600)
Segment operating assets	737,611	808,051
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	2,858,521	3,972,457
Total assets	3,596,132	4,780,508
4. REVENUE		
From continuing operations		
Interest	14,762	50,688
Sale of exploration interest	-	1,000,000
Sale of plant and equipment	-	196,917
Reimbursement of costs	-	224,960
Refunds	76,566	116,545
Government cashflow boost	37,500	62,500
	114,066	1,600,922

Notes to the Financial Statements

The Company

2021	2020
\$	\$

5. EXPENSES

Loss before income tax includes the following specific expenses:

Minimum lease payments relating to operating leases	29,136	28,754
Defined contribution superannuation expense	44,848	51,186

6. INCOME TAX

(a) The prima facie income tax expenses on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

Accounting loss before tax from continuing operations	(1,202,807)	(1,139,600)
Tax at the applicable tax rate of 26.0% (2020: 27.5%)	(312,730)	(313,390)
Impact from reduction in tax rate on unrecognised tax losses	391,212	117,156
Effect of expenses which are not deductible in determining taxable profit	649	67,259
Movements in unrecognised temporary differences	4,281	63,741
Tax effect of current year tax losses for which no deferred tax asset has been recognised	(83,412)	65,234
Income tax expense	-	-

(b) Unrecognised temporary differences**Deferred Tax Assets at 26.0% (2020: 27.5%)**

On Income Tax Account

Capital raising costs	8,365	25,623
Legal costs - capital	1,570	2,491
Accruals	7,339	5,880
Carry forward tax losses	5,088,347	5,024,348
	5,105,621	5,058,342

Deferred Tax Liabilities at 26.0% (2020: 27.5%)

Prepayments	3,259	3,352
Unearned income	10	2,739
	3,269	6,091

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank and in hand	2,675,691	3,782,650
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	2,675,691	3,782,650

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Notes to the Financial Statements

The Company

	2021	2020
	\$	\$

8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

Sundry Debtor	-	12,851
Government cashflow boost	-	12,500
Accrued Interest	38	9,958
GST Receivable	10,098	13,868
	10,136	49,177

9. OTHER FINANCIAL ASSETS

Term deposit investments	128,000	128,000
	128,000	128,000

Held-to –maturity investments comprise bank term deposits with a maturity of over 3 months

10. OTHER CURRENT ASSETS

Deposits	1,920	1,920
Prepayments	12,535	12,190
	14,455	14,110

11. NON-CURRENT ASSETS – EXPLORATION ASSETS

Tenement acquisition costs carried forward in respect of mining areas of interest

Opening net book amount	798,536	855,195
Acquisition - cash	-	36,717
Impairment	(36,717)	(93,376)
Closing net book amount	761,819	798,536

The ultimate recoupment of costs carried forward for tenement acquisition is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

12. NON-CURRENT ASSETS - PLANT AND EQUIPMENT**Plant and equipment**

Cost	80,723	80,723
Accumulated depreciation	(74,692)	(72,688)
Net book amount	6,031	8,035

Plant and equipment

Opening net book amount	8,035	42,707
Additions	-	1,182
Disposals	-	(26,287)
Depreciation charge	(2,004)	(9,567)
Closing net book amount	6,031	8,035

Notes to the Financial Statements

The Company

	2021	2020
	\$	\$

Motor vehicles

Opening net book amount	-	58,482
Additions	-	-
Disposals	-	(51,797)
Depreciation charge	-	(6,685)
Closing net book amount	-	-
	6,031	8,035

13. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	26,480	14,686
Other payables and accruals	39,383	32,746
	65,863	47,432

14. ISSUED CAPITAL**(a) Share capital**

	Notes	2021		2020	
		Number of shares	\$	Number of shares	\$
Ordinary shares fully paid	14(b), 14(d)	136,055,432	24,234,892	136,055,432	24,234,892
Total issued capital		136,055,432	24,234,892	136,055,432	24,234,892

(b) Movements in ordinary share capital

Beginning of the financial year	136,055,432	24,234,892	136,055,432	24,234,892
End of the financial year	136,055,432	24,234,892	136,055,432	24,234,892

(c) Movements in options on issue

Unlisted	Number of options	
	2021	2020
Beginning of the year	15,000,000	18,500,000
Issued during the year	-	9,450,000
Exercised during the year	-	-
Expired during the year	(5,350,000)	(12,950,000)
End of the year	9,650,000	15,000,000

Notes to the Financial Statements

14. ISSUED CAPITAL

(d) Ordinary shares

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

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

(e) Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads.

The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2021 and 30 June 2020 is as follows:

	The Company	
	2021	2020
	\$	\$
Cash and cash equivalents	2,675,691	3,782,650
Trade and other receivables	38	35,309
Other financial assets	128,000	128,000
Trade and other payables	(50,980)	(47,432)
Working capital position	<u>2,752,749</u>	<u>3,898,527</u>

15. RESERVES

Share-based payment reserve

Balance at beginning of year	885,700	1,460,375
Expiry of options during the year	(649,110)	(792,369)
Issue of options during the year	-	217,694
Balance at end of year	<u>236,590</u>	<u>885,700</u>

Option reserve

The share-based payment reserve is used to record the value of options issued by the Company.

Notes to the Financial Statements

16. ACCUMULATED LOSSES

	The Company	
	2021	2020
	\$	\$
Accumulated losses		
Balance at beginning of year	(20,387,516)	(20,040,285)
Exercise of options during the year		-
Expiry of options during the year	649,110	792,369
Net loss for the year	(1,202,807)	(1,139,600)
Balance at end of year	(20,941,213)	(20,387,516)

17. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

18. SHARE-BASED PAYMENTS

Options

There were no options issued during the year (2020: 9,450,000 options).

The total expense recognised in the year for share-based payments is \$nil (2020: \$217,694).

None of the options that were issued were converted to shares during the year.

A total of 5,350,000 options lapsed during the year (2020: 12,950,000).

	2021	2020
	\$	\$
Options		
Balance at beginning of year	15,000,000	18,500,000
Grant of options during the year	-	9,450,000
Expiry of options during the year	(5,350,000)	(12,950,000)
Balance at end of year	9,650,000	15,000,000
Vested at end of year	9,650,000	15,000,000

19. DIRECTORS AND EXECUTIVE'S DISCLOSURES

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

	The Company	
	2021	2020
Short-term benefits	270,000	270,000
Post-employment benefits	25,650	22,800
Share based payments	-	126,699
	295,650	419,499

Detailed remuneration disclosures are provided in the remuneration report on page 23 .

Notes to the Financial Statements

20. REMUNERATION OF AUDITORS

	The Company	
	2021	2020
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:		
Audit services		
Rothsay Auditing - audit and review of financial reports	35,000	34,000
Total remuneration for audit services	<u>35,000</u>	<u>34,000</u>

21. CONTINGENCIES

Contingent liabilities

There are no material contingent liabilities or contingent assets of the Company at balance date.

22. COMMITMENTS

(a) Exploration commitments

The Company has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2021	2019
	\$	\$
within one year	1,779,000	1,412,720
later than one year but not later than five years	7,116,000	5,650,880
	<u>8,895,000</u>	<u>7,063,600</u>

(b) Lease commitments: Company as lessee

	2021	2020
	\$	\$
within one year	2,118	2,182
	<u>2,118</u>	<u>2,182</u>

23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above no matters or circumstances have arisen which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Notes to the Financial Statements

The Company

	2021	2020
	\$	\$

24. NOTE TO STATEMENT OF CASH FLOWS

Reconciliation of net loss after income tax to net cash outflow from operating activities

Net loss for the year	(1,202,807)	(1,139,600)
Gain on sale of equipment	-	(196,917)
Gain on sale of exploitation interests	-	(1,000,000)

Non-Cash Items

Depreciation of non-current assets	2,004	16,252
Share-based payments	-	217,694
Impairment of exploration assets	36,717	93,376

Change in operating assets and liabilities

(Increase)/decrease in trade and other receivables	39,041	23,954
(Increase)/decrease in prepayments	(345)	6,454
Increase/(decrease) in trade and other payables	18,431	(77,008)
Net cash outflow from operating activities	(1,106,959)	(2,055,795)

25. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(1,202,807)	(1,139,600)
---	-------------	-------------

Number of shares

	2021	2020
--	------	------

(b) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used in calculating basic loss per share	136,055,432	136,055,432
Options over ordinary shares	16,411,475	16,411,475
Weighted average number of shares used in calculating diluted loss per share	152,466,907	152,466,907

Basic loss per share (cents per share)	(0.89)	(0.84)
Diluted loss per share (cents per share)	(0.89)	(0.84)

For 2021 and 2020 none of the options over ordinary shares are considered dilutive as the share price is lower than the exercise price of all options on issue, therefore the diluted loss per share is equal to that of the basic loss per share.


Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 35 to 52 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



Seamus Cornelius

Non-Executive Chairman

Perth, 28 September 2021



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Buxton Resources Limited ("the Company") which comprises the statement of financial position as at 30 June 2021, 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 on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the 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 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this 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 (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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.





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BUXTON RESOURCES LIMITED (continued)

Key Audit Matter - Cash and Cash Equivalents	How our Audit Addressed the Key Audit Matter
<p>The Company's cash and cash equivalents make up 95% of current assets by value and are considered to be the key driver of the Company's operations.</p> <p>We do not consider cash and cash equivalents to be at a high risk of significant misstatement or to be subject to a significant level of judgement.</p> <p>However due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures over the existence of the Company's cash and cash equivalents included but were not limited to:</p> <ul style="list-style-type: none">• Documenting and assessing the processes and controls in place to record cash transactions;• Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and• Agreeing balances to independent confirmations. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>
Key Audit Matter - Exploration and evaluation expenditure	How our Audit Addressed the Key Audit Matter
<p>The Company has expensed a significant amount of exploration and evaluation expenditure during the year.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement.</p> <p>However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none">• We assessed exploration and evaluation expenditure with reference to AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.• We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and• We documented and assessed the processes and controls in place to record exploration and evaluation transactions. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>

For personal use only



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BUXTON RESOURCES LIMITED (continued)

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 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Directors' Responsibility 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 the 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 cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

For personal use only



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BUXTON RESOURCES LIMITED (continued)

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2021.

In our opinion the remuneration report of Buxton Resources Limited for the year ended 30 June 2021 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.

Rothsay Auditing

Dated 28 September 2021

Donovan Odendaal
Partner

For personal use only

Shareholder Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. Unless otherwise stated, the information is current as at 25 September 2021.

(a) Distribution of equity securities

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

Range	Total holders	Units	% Units
1 - 1,000	70	9,137	0.01
1,001 - 5,000	170	601,364	0.44
5,001 - 10,000	224	1,864,726	1.37
10,001 - 100,000	540	21,873,060	16.08
100,001 Over	196	111,707,145	82.10
Rounding			0.00
Total	1,200	136,055,432	100.00
Unmarketable Parcels			
	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.0790 per unit	6,330	284	864,912

(b) Substantial shareholders

At the date of this report the following shareholders had lodged substantial shareholder notices with the Company, in accordance with section 671B of the *Corporations Act 2001* are:

1. Independence Group NL is a substantial shareholder holding a relevant interest in 20,408,315 shares representing 15% of the voting power.
2. National Business Holding (VU) Ltd is a substantial shareholder holding a relevant interest in 10,841,659 shares representing 7.97% of the voting power.

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Shareholder Information

(d) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% Units
1	ZERO NOMINEES PTY LTD	20,408,315	15.00
2	NATIONAL BUSINESS HOLDING (VU) LTD	10,841,659	7.97
3	A & R DEARLOVE PTY LTD <ANT & RENAES SUPER FUND A/C>	5,368,966	3.95
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,805,720	2.06
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,640,151	1.94
6	GREENSEA INVESTMENTS PTY LTD	2,370,000	1.74
7	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,265,625	1.67
8	MS JULIE ANNE GOOD	1,539,549	1.13
9	MR CRAIG PHILLIP CARBONE <CRAIG CARBONE A/C>	1,521,347	1.12
10	MR PETER JOHNSON	1,515,107	1.11
11	MR SEAMUS CORNELIUS	1,503,930	1.11
12	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	1,500,000	1.10
13	GOLDRICH HOLDINGS PTY LTD <THE GOLDRICH INVESTMENT A/C>	1,481,481	1.09
14	CITICORP NOMINEES PTY LIMITED	1,406,524	1.03
15	MS CASEY LANCEE	1,400,000	1.03
16	NEW WORLD COBALT LIMITED	1,333,333	0.98
17	MR BRADLEY STUART FALCONER	1,010,000	0.74
18	MR BRADLEY PETER BRYANT + MRS JOSEPHINE ALEXANDA BRYANT <B & J BRYANT A/C>	1,005,435	0.74
19	MR RICHARD CHALLINOR HAYES	1,000,000	0.73
20	HENRY BERRY CORPORATION LIMITED	971,000	0.71
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		63,888,142	46.96
Total Remaining Holders Balance		72,167,290	53.04

(e) Schedule of interests in mining tenements

Tenement	Location	% Held
E04/1533	Merlin - IGO JV	49
E04/2026	Merlin - IGO JV	49
E04/2142	Merlin - IGO JV	49
E04/2451	West Kimberley - Baracus / IGO JV	16
E04/2462	West Kimberley - Baracus / IGO JV	16
E04/2060	West Kimberley Regional - IGO JV	20
E04/2407	West Kimberley Regional - IGO JV	20
E04/2408	West Kimberley Regional - IGO JV	20
E04/2411	West Kimberley Regional - IGO JV	20
E04/2466	West Kimberley Regional - IGO JV	20
E04/2467	West Kimberley Regional - IGO JV	20
E04/2468	West Kimberley Regional - IGO JV	20

Shareholder Information

E04/2469	West Kimberley Regional - IGO JV	20
E04/2480	West Kimberley Regional - IGO JV	20
E04/2527	West Kimberley Regional - IGO JV	20
E04/2530	West Kimberley Regional - IGO JV	20
E04/2536	West Kimberley Regional - IGO JV	20
E04/2549	West Kimberley Regional - IGO JV	20
E04/2550	West Kimberley Regional - IGO JV	20
E04/2578	West Kimberley Regional - IGO JV	20
E04/2579	West Kimberley Regional - IGO JV	20
E04/2580	West Kimberley Regional - IGO JV	20
E04/2581	West Kimberley Regional - IGO JV	20
E04/2583	West Kimberley Regional - IGO JV	20
E04/2584	West Kimberley Regional - IGO JV	20
E04/2585	West Kimberley Regional - IGO JV	20
E04/2609	West Kimberley Regional - IGO JV	20
E04/2610	West Kimberley Regional - IGO JV	20
E04/2611	West Kimberley Regional - IGO JV	20
E04/2612	West Kimberley Regional - IGO JV	20
E04/2613	West Kimberley Regional - IGO JV	20
E04/2614	West Kimberley Regional - IGO JV	20
E04/2615	West Kimberley Regional - IGO JV	20
E04/2617	West Kimberley Regional - IGO JV	20
E04/2629	West Kimberley Regional - IGO JV	20
E04/2630	West Kimberley Regional - IGO JV	20
E04/2631	West Kimberley Regional - IGO JV	20
E04/2636	West Kimberley Regional - IGO JV	20
E04/2648	West Kimberley Regional - IGO JV	20
E04/2649	West Kimberley Regional - IGO JV	20
E04/2650	West Kimberley Regional - IGO JV	20
E04/2651	West Kimberley Regional - IGO JV	20
E04/1972	West Kimberley – IGO/NWC/TT JV	16
E04/2314	West Kimberley – IGO/NWC/TT JV	16
E04/2423	West Kimberley – IGO/NWC/TT JV	20
E28/1959	Fraser Range - IGO JV	10
E28/2201	Fraser Range - IGO JV	10
ELA09/2427	Narryer Project	100
E09/2428	Narryer Project	100
ELA09/2429	Narryer Project	100
E09/1985	Yalbra Project	100
ELA45/5892	Shogun Project	100
ELA80/5579	Centurion Project	100
ELA70/5819	Chopper Project	100

Shareholder Information

ELA59/2595	Fatboy	100
ELA80/5545	Lateron	100
SM-01 through SM-054 inclusive	Yavapai Co, Arizona (Federal Lode Mining Claims)	100

For personal use only