

Barton Gold

Barton Gold Holdings Limited

ACN 633 442 618

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

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Barton Gold Holdings Limited

Annual Report - 30 June 2022

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Corporate Directory

Board of Directors

Kenneth Williams	Independent Non-Executive Chair
Alexander Scanlon	Managing Director & Chief Executive Officer
Christian Paech	Independent Non-Executive Director
Graham Arvidson	Independent Non-Executive Director
Neil Rose	Non-Executive Director

Company Secretary

Shannon Coates

Registered office

Level 4, 12 Gilles Street
Adelaide SA 5000
Email: contact@bartongold.com.au
Website: www.bartongold.com.au

Principal place of business

Level 4, 12 Gilles Street
Adelaide SA 5000
Email: contact@bartongold.com.au
Website: www.bartongold.com.au
Phone: (08) 7073 6368

Auditors

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Share registry

Automic Group
Level 5, 126 Phillip St
Sydney NSW 2000
GPO Box 5193
Sydney NSW 2001
Website: www.automicgroup.com.au

Home exchange

Australian Securities Exchange Ltd
Level 40
152-158 St Georges Terrace
Perth WA 6000
ASX Code: **BGD**

Dear Investor

On behalf of the board of Barton Gold Holdings Limited (Barton or the Company), I am delighted to present this year's Annual Report, after our first full year as a publicly listed company.

The Review of Operations section to follow lays out in detail an extensive list of achievements and activities completed during the 2022 financial year and shows that it has been a very productive period, and one of significant progress.

The Company has vigorously pursued its core exploration strategy, with the completion of two major drilling programs (one of which was completed despite the challenges of historically anomalous major rain events), a ground penetrating radar survey and an extensive gravity survey. Details of these exploration activities have been announced to the ASX throughout the year and are summarised in the following pages.

The Company was successful with applications for two rounds of the South Australian Government's Accelerated Discovery Initiative which provides co-funding of up to \$895,000 for the Company's exploration and corporate initiatives. This is not only a welcome supplement to the Company's working capital, but is also a validation of the credibility of the exploration program.

On the Corporate front there were several key achievements:

- The Board composition was slimmed down and seamlessly evolved to reflect the South Australian focus of the Company.
- A cohesive management team has now been assembled in new corporate premises in Adelaide with the engagement of an experienced Head of Exploration, Chief Financial Officer, Principal Geologist and General Manager Projects. (The establishment of this presence benefited from a South Australian Government Landing Pad grant of up to \$80,000.)
- The first phase of a program of rationalisation of surplus assets was commenced with the sale of part of the Central Gawler Camp and the sale of gold materials which generated cash proceeds of \$1.7 million and contributed to a better-than-expected cash balance at 30 June, 2022 of \$11.2 million.

This efficient execution of this program of activity has created a strong platform for Barton to continue to execute its large-scale exploration strategy which will be the focus of the remainder of calendar 2022. The Company will then look to provide an updated JORC (2012) Mineral Resource Estimate.

The Company continues to foster and develop strong and respectful relationships with key stakeholders including Traditional Owners, Pastoral Leaseholders and the South Australian State Government which is a key element of the objective of becoming and being seen as the pre-eminent pure-play gold company in South Australia.

I look forward to reporting to you as we move forward and on behalf of the Board, I would like to extend my thanks to our shareholders for their continuing support.

Yours faithfully,



Kenneth Williams

Independent Non-Executive Chairman

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity comprising Barton Gold Holdings Limited (the **Company** or **Barton**) and its controlled entities (the **Group**) for the financial year 1 July 2021 to 30 June 2022.

Directors

The following persons were directors of Barton Gold Holdings Limited during the whole of the financial year and up to the date of this report unless otherwise stated.

Kenneth Williams (appointed 01 May 2022)
Alexander Scanlon
Christian Paech
Graham Arvidson
Neil Rose
Richard Crookes (resigned 01 May 2022)
Mark Connelly (resigned 30 June 2022)

Company Secretary

Shannon Coates has held the role as Company Secretary since 07 January 2021.

Principal Activities

During the year, the Group focussed on a series of exploration programs at its Tarcoola, Tunkillia and Challenger projects in South Australia.

Dividends

No dividends have been declared or paid during the financial year (30 June 2021: \$nil).

Operating Results and Financial Position

Loss after income tax for the year ended 30 June 2022 is \$4.105 million (30 June 2021, net loss after income tax \$7.733 million).

Review of Operations

In its first full year as a company listed on the Australian Securities Exchange (**ASX**) Barton has announced the completion of a wide array of high-value exploration and corporate initiatives, including multiple discoveries significantly expanding the footprints of the Tarcoola Gold Project (**Tarcoola**) and the Tunkillia Gold Project (**Tunkillia**), the realisation of more than \$1.7 million cash proceeds from gold and surplus equipment sales, and nearly \$1 million in corporate and exploration grant funding awarded by the Government of South Australia.

Exploration

On 6 August 2021 the Company announced the completion of its Tarcoola Phase 2 drilling program, comprising 4,944 metres of reverse circulation (**RC**) drilling across a total of 42 completed drill holes. The results of this drilling were announced on 20 and 27 October 2021 and confirmed an up to 200 metre depth extension of mineralisation below the Perseverance open pit mine (Tarcoola) and a significant southern extension of mineralisation via the new Perseverance West gold zone.

On 6 August 2021 the Company also announced the completion of approximately 2.6km² ground penetrating radar (**GPR**) surveys at Tarcoola. The GPR surveys resulted in the 29 September 2021 announcement that the Company had identified multiple new shallow (10-50 metre deep) targets across Tarcoola Mining Lease 6455.

On 9 September 2021 the Company announced the completion of Phase 1 drilling at Tunkillia, being the Company's first drilling program completed at the project since acquisition. A total of 5,362 metres of RC drilling was completed across a total 31 completed drill holes at Area 191 and Area 223 North prospects, as well as in the central area of the cornerstone 223 Deposit. Assay results from this program confirmed the discovery of a new 800 metre long 223 North gold zone, the discovery of a new 650 metre long Area 191 gold zone, and a 250 metre long higher-grade zone central to the 223 Deposit (announced by the Company on 3, 8 and 15 November 2021, respectively).

On 27 September 2021 the Company announced the completion of over 80km² gravity surveys at Tarcoola, undertaken with the objective to further map priority exploration targets. The gravity surveys resulted in the 10 March 2022 announcement that the Company has identified multiple new priority exploration targets including a large shear zone dilation at the Ealbara prospect, and also the 'western targets' area of Tarcoola where prior geophysical evaluation had identified a more than 14km long corridor of high priority targets overlying a system of shears and faults analogous to the structure which created the high-grade open pit Perseverance mine.

Following the successes of the foregoing drilling and geophysical programs, the Company undertook during May and June 2022 (and announced on 6 June 2022 the completion of) further RC drilling programs at each of Tarcoola (3,267 metres) and Tunkillia (3,160 metres). The results of these drilling programs were announced after the end of the 2022 financial year and are detailed below in the section entitled 'Matters Subsequent to the End of the Reporting Period'.

On 14 June 2022 the Company announced that Phase 1 analysis from its strategic Gawler Craton R&D partnership with SensOre Ltd (ASX:S3N) (**SensOre**) (further details below) had identified multiple new gold and copper targets across a 60,000km² area of the central Gawler Craton of South Australia, including and surrounding the Company's projects. Subsequent Phase 2 analysis and drill testing of predicted targets will commence following the completion of additional preparatory geophysical, geochemical and drilling programs across Tarcoola and Tunkillia.

Corporate

On 4 August 2021, the Company announced that it had executed a \$300,000 funding agreement with the South Australian Government following a successful application for a grant under Round 2 of the South Australian Governments Accelerated Discovery Initiative (**ADI**). This grant provides up to \$300,000 co-funding for an approved program of works at Tarcoola, the majority of which has now been completed.

The Company also announced during the year (on 15 June 2022) that it received a further \$595,000 in grant funding awards from the South Australian Government under Round 3 of the ADI. The three grants awarded under Round 3 of the ADI provide up to \$595,000 co-funding for approved programs of works at Tarcoola and Tunkillia. Funding agreements for these three grants were executed shortly after the end of the 2022 financial year, during July 2022.

Additionally, on 7 December 2021 the Company announced that it had been awarded up to \$80,000 in grant funding support under the South Australian Landing Pad (**SALP**) program for the purpose of establishing a new Adelaide-based corporate headquarters. This resulted in the Company opening a new Adelaide-based corporate headquarters shortly after the end of the 2022 financial year, on 14 July 2022 (see 'Matters Subsequent', below).

The benefits to the Company of Rounds 2 and 3 of the ADI, and the SALP program, amount to a total of [up to] \$975,000 in Government co-funding awarded for the Company's exploration and corporate initiatives.

On 21 March 2022 the Company announced the signing of terms of SensOre for an exclusive R&D partnership under which the Company would contribute up to \$395,000 co-funding for SensOre's adaptation of its 'Discriminant Predictive Targeting' (**DPT**) artificial intelligence (**AI**) and machine learning (**ML**) module to the terrain of the Central Gawler Craton, and would be entitled to a ten (10) year exclusive use of the south Australian DPT module for gold and copper targeting within a 60,000km² area of the Central Gawler Craton surrounding the Company's projects.

Financially, the Company ended the 2022 financial year with the announcement of more than \$1.7 million in revenues realised during June 2022, via the \$737,500 (excluding GST) sale of a minority portion of its surplus Central Gawler Camp assets and a \$1 million payment for the sale of gold materials to ABC Bullion (announced on 28 and 30 June 2022, respectively). This resulted in the Company reporting a cash positive period for the quarter ended 30 June 2022 and closing the 2022 financial year with a substantial treasury balance of \$11.2 million cash.

Finally, the 2022 financial year also saw the Company execute a considerable corporate evolution at the Board, Management and operational levels in line with its objectives to develop a unique South Australian identity on the ASX, fully commit its focus to developing a new South Australian gold district and become the state's leading independent gold producer. The Company recruited Mr Marc Twining as its new Exploration Manager (November 2022), Mr Ian Garsed as its new Principal Geologist (January 2022), Mr Nicholas Byrne as its new Chief Financial Officer (January 2022) and Mr Kenneth Williams as its new Non-Executive Chairman Elect (May 2022). Mr Williams assumed the role of Chairman from 1 July 2022. The Company's new team members are all highly experienced South

Australian mining industry specialists and are all based in South Australia at the Company's new corporate headquarters, providing the Company with a strong base of operational experience, and presence, in South Australia

Matters Subsequent to the End of the Reporting Period

Exploration

On 25 July 2022 the Company announced multiple high-grade drilling assays that infilled the Perseverance West gold zone adjacent to the Perseverance West open pit mine (Tarcoola), confirming strike and depth extensions of the southern end of the open pit. Subsequently, on 22 August 2022, the Company announced that assays from a further three step-out drill holes had extended this Perseverance West gold zone by a further ~50m.

On 5 September 2022 the Company announced the results of its May / June 2022 drilling program at Tunkillia, confirming another new gold zone at the Area 51 prospect comprising 500 metres mineralised strike and significantly expanding the mineral footprint of Tunkillia.

Shortly thereafter, on 7 September 2022 the Company announced the start of a follow up drilling program at Tunkillia, targeting approximately 9,000 metres RC drilling intended to support a JORC (2012) Mineral Resources Estimate update for the project.

Corporate

On 14 July 2022, the Company announced that it had changed its registered office and principal place of business to the address of its new Adelaide headquarters, being Level 4, 12 Gilles Street, Adelaide SA 5000, Australia.

During August 2022 the Company also welcomed Mr David Wilson, another highly experienced South Australian mining professional, as its new General Manager of Projects to lead Barton's ongoing asset realisation initiatives.

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

Environmental Regulation

The Group's operations are subject to significant environmental regulation under both Commonwealth and relevant State legislation in relation to the discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Group on any of its tenements. Subject to ongoing rehabilitation, the Group believes it has complied with all environmental obligations.

Heritage and Community Relations

The Company recognises the importance of establishing relationships with the Traditional Owners that are based on trust and mutual advantage and are respectful of the needs and concerns of the communities located within the regions in which it operates. The Company has agreements in place with the Traditional Owners and is committed to building strong relationships by:

- Being open and transparent in its communications;
- Improving cross-cultural awareness through training and education;
- Developing community relations management procedures that include business alliances;
- Being sensitive to the values and heritage issues of the local communities; and
- Being a good neighbour.

Significant Changes in the State of Affairs

Other than noted above, in the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Likely Developments and Expected Results from Operations

The Group will continue to explore and develop its Challenger, Tarcoola and Tunkillia projects.

Information on Directors

Kenneth Williams (appointed 01 May 2022)	Independent Non-Executive Chair (elected 01 July 2022) Independent Non-Executive Director (appointed 01 May 2022)
Qualifications	BEC (Hons), MAppFin, FAICD
Experience	Mr Williams has over 20 years' experience as a resource exploration company Director including 9 years as Director and Chair of AWE Limited (ASX:AWE). From 1999 to 2003 Ken was the Group Treasurer, then CFO, and then Group Finance Executive for Normandy Mining (subsequently Newmont Australia). He was Chair of Statewide Super until April 2022, is a non-executive director of Archer Materials Ltd (ASX:AXE) and Deputy Chancellor of the University of Adelaide.
Relevant interest in Barton Shares, Convertible Notes and Options at the date of this report	Nil
Special responsibilities	Chair of Audit and Risk Committee from 01 May until 30 June 2022. Member of Nomination and Remuneration Committee from 01 July 2022
Directorships held in other ASX listed entities in the last three years	Non-executive Director – Archer Minerals Ltd (ASX:AXE) - September 2020 to current Non-executive Director and Chair - Lanyon Investment Company Ltd (ASX:LAN) – April 2021 to May 2022
Alexander Scanlon	Managing Director & Chief Executive Officer
Qualifications	BSc Finance (Hons) and BSc Economics (Hons), MSc Financial Economics, MPhil Management
Experience	Mr Scanlon is a financial economist with over 15 years' experience in structured finance and mining advisory, investment and management including as founder or co-founder of multiple global resources projects. Previously Managing Director of PARQ Capital, a Director with Lusona Capital, Business Development Manager at Sirius Minerals PLC and an Executive in the Principal Investments Area at Barclays Capital.
Relevant interest in Barton Shares, Convertible Notes and Options at the date of this report	43,681,459 fully paid ordinary shares 3,000,000 unlisted options, exercisable at \$0.375 per share, expiry 15 March 2025 1,280,000 unlisted options, exercisable at \$0.00 per share, expiry 30 June 2026
Directorships held in other ASX listed entities in the last three years	Nil

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Christian Paech	Independent Non-Executive Director
Qualifications	LLB (Hons), BCom (Accounting), GCLP, GAICD
Experience	Mr Paech is a highly regarded corporate advisor with over +25 years of experience in corporate law, M&A, litigation, risk, governance and major corporate transactions. He was a member of the Senior Leadership Team at ASX-Listed Santos Limited where he was General Counsel from 2010 - 2019 and Company Secretary from 2017 - 2019. Based in Adelaide, Christian was a key advisor to the Santos Board on a wide range of transactions, joint ventures, Government policy and engagement, audit, litigation, risk management and ASX disclosure obligations.
Relevant interest in Barton Shares, Convertible Notes and Options at the date of this report	101,017 fully paid ordinary shares 500,000 unlisted options, exercisable at \$0.375 per share, expiry 15 March 2025
Special responsibilities	Chair of the Nomination and Remuneration Committee and member of the Audit and Risk Committee from 01 July 2022.
Directorships held in other ASX listed entities in the last three years	Non-executive Director – AXP Energy Limited (ASX.AXP) – January 2022 to current
Neil Rose	Non-Executive Director
Qualifications	BCom Finance and Accounting, CA
Experience	Mr Rose is a chartered accountant with a background in the commercial property and resource sectors being involved in project identification, financing and development.
Relevant interest in Barton Shares, Convertible Notes and Options at the date of this report	13,964,234 fully paid ordinary shares 500,000 unlisted options, exercisable at \$0.375 per share, expiry 15 March 2025
Special responsibilities	Member of Nomination and Remuneration Committee and Audit and Risk Committee
Directorships held in other ASX listed entities in the last three years	Nil
Graham Arvidson	Independent Non-Executive Director
Qualifications	BSc (Mech Eng), MBA, MSc (Mineral Economics), MAusIMM CPMet, MIEAust CPEng, GAICD, PMI (PMP)
Experience	Mr Arvidson is an experienced resource industry executive with a background in operations, mineral economics, project management, and mineral processing excellence. He has held key leadership roles developing and operating mineral assets globally across a broad range of commodities. His 18 years in the resource industry spans DD, feasibility, development, and operations
Interest in Barton Shares, Convertible Notes and Options at the date of this report	172,177 fully paid ordinary shares 500,000 unlisted options, exercisable at \$0.375 per share, expiry 15 March 2025
Special responsibilities	Member of Nomination and Remuneration Committee until 30 June 2022. Chair of Audit and Risk Committee from 01 July 2022.
Directorships held in other ASX listed entities in the last three years	Nil

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Mark Connelly (resigned 30 June 2022)	Former Independent Non-Executive Chair
Qualifications	BBus, ECU, MAICD, AIMM, Member of SME
Experience	Mr Connelly is a senior resources executive with over 30 years' experience and a particular focus in the gold sector, holding senior roles with Newmont Mining, Inmet Mining and as COO of Endeavour Mining. Mark was the Managing Director of ASX-listed Papillon Resources prior to its 2014 USD \$570m merger with B2Gold. He was also the key proponent responsible for the 2011 USD \$590m merger of Adamus Resources Limited and Endeavour Mining.
Relevant interest in Barton Shares, Convertible Notes and Options at the date of this report	Not applicable as no longer a director
Special responsibilities	Former Member of Audit and Risk Committee until 30 June 2022.
Directorships held in other ASX listed entities in the last three years	Non-executive Chair of Calidus Resources Limited (since February 2018), Chesser Resources Limited (since July 2020) and Oklo Resources Limited (since July 2019). Previously Non-executive Director of Tao Commodities Ltd (April 2018 to February 2021), Primero Group Limited (July 2018 to February 2021), West African Resources Ltd (September 2015 to May 2020).
Richard Crookes (resigned 01 May 2022)	Independent Non-Executive Director
Qualifications	BSc Geology, Dip App Finance, Fellow FINSIA, MAusIMM, MAICD
Experience	Mr Crookes is a geologist with +30 years' experience in global resources development, operations, and investment including as Chief Geologist and Mine Manager of Ernest Henry Mining (now Glencore), Executive Director of Macquarie's Metals Energy Capital (MEC) Division and founding Investment Committee member and Investment Director of EMR Capital focused on deal origination.
Interest in Barton Shares, Convertible Notes and Options at the date of this report	Not applicable as no longer a director
Special responsibilities	Former Chair of the Audit and Risk Committee until 01 May 2022.
Directorships held in other ASX listed entities in the last three years	Non-executive Chairman of Highfield Resources Limited (since May 2013 to April 2022), Black Rock Mining Limited (since October 2017) and Lithium Power International Limited (since November 2018).
Shannon Coates	Company Secretary
Qualifications	LLB, BA (Jur), GAICD, GIA
Experience	Ms Coates is a qualified lawyer and Chartered Secretary with over 20 years' experience in corporate law and compliance. Ms Coates is currently Managing Director of Evolution Corporate Services, a boutique corporate advisory firm providing company secretarial and corporate advisory support to boards and various committees across a variety of industries including resources, oil and gas, manufacturing and technology.

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Meeting of Directors

The number of meetings of the Company's Board of Directors (the **Board**) and of each Board committee held during the financial year ended 30 June 2022, and the number of meetings attended by each director was:

	Full Board of Directors		Audit and Risk Committee		Nominations and Remuneration Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Mark Connelly	8	8	3	2	Note 1	2
Alexander Scanlon	8	8	Note 2	3	Note 1	2
Christian Paech	8	8	Note 2	3	3	3
Graham Arvidson	8	8	Note 2	3	3	3
Neil Rose	8	8	3	3	3	3
Richard Crookes	7	6	2	2	Note 1	2
Kenneth Williams	1	1, Note 3	1	1	Note 1	1

¹ = Messrs Connelly, Scanlon, Crookes and Williams attended the Nomination and Remuneration Committee meeting by invitation.

² = Messrs Scanlon, Arvidson and Paech attended the Audit and Risk Committee meeting by invitation.

³ = Messer Williams attended the 27 April 2022 board meeting as an invitee.

Remuneration Report (audited)

The remuneration report details the Key Management Personnel (**KMP**) remuneration arrangements for the consolidated entity in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including all directors.

Remuneration Governance

The Nomination and Remuneration Committee is a sub-committee of the Board. It is primarily responsible for making recommendations and assisting the Board to:

- ensure that it is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- independently ensure that the Company adopts and complies with remuneration policies that attract, retain and motivate high calibre executives and Directors to encourage enhanced performance by the Company; and
- motivate Directors and management to pursue the long-term growth and success of the Company within an appropriate framework.

Use of Remuneration Consultants

The Nomination and Remuneration Committee will seek advice from independent remuneration specialists to review its remuneration policy, benchmarking remuneration and incentive structures from time to time. All engagements will report directly to the Nominations and Remuneration Committee and the consultants are required to confirm in writing, their independence from the Company's senior management and other executives. Consequently, the Board of Directors is able to satisfy themselves that the advice was made free from undue influence from any member of the KMP.

Non-Executive Directors Remuneration Policy

The Company's policy is to remunerate Non-Executive Directors a fixed fee reflecting their time commitment and responsibilities. Fees provided to Non-Executive Directors are inclusive of superannuation and salary sacrifice, if applicable.

Fees are reviewed annually by the Board's Nomination and Remuneration Committee considering comparable roles and market data, which may be sought from an independent remuneration adviser. During the financial year ended the 30 June 2022, The Reward Practice was engaged to provide independent benchmarking and evaluation of the Company's non-executive remuneration against its peers and guidance on appropriate non-executive remuneration on structures, including the potential for equity. The fees paid to date to The Reward Practice for this advice were \$5,000.

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Non-Executive Directors fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$500,000 per rolling 12-month period and was approved by shareholders on 18 December 2020. The Board may apportion any amount up to this maximum amount amongst the Non-Executive Directors as it determines. Directors are also entitled to be paid reasonable travel, accommodation and other expenses incurred in performing their duties as Directors.

From time to time, the Company may grant options or other equity-based incentives to Non-Executive Directors, subject to obtaining the relevant shareholder approvals. The grant of options or other equity-based incentives is designed to attract and retain suitably qualified Non-Executive Directors. Options or other equity-based incentives issued to Non-Executive Directors will not have any performance hurdles in accordance with the ASX Corporate Governance Principles and Recommendations, recognising that this may lead to bias in their decision-making and compromise their objectivity.

Executive Remuneration Policy and Framework

Executive remuneration consists of Total Fixed Remuneration (TFR), comprising base salary and superannuation, short-term incentives (STI's), which may include performance based equity incentives and/or a cash bonus, and long-term incentives (LTI's), which may include options or other performance based equity incentives such as performance rights, granted at the discretion of the Board on the recommendation of the Nomination and Remuneration Committee and subject to obtaining relevant shareholder approvals.

Total remuneration packages are designed to achieve the following objectives:

- Attracting and retaining key executives at important stages in the Company's progress and development and ensuring that all executive remuneration is directly and transparently linked with strategy, risk management and performance;
- Aligning STI's and LTI's with the achievement of the Company's short-term and long-term strategic objectives and longer-term shareholder return;
- Setting performance targets and rewarding performance for successful exploration, appraisal, development and operations in a way that is sustainable, including in respect of health and safety, environment and community-based objectives;
- Ensuring all equity-based instruments issued to executives are performance based in accordance with recommended ASX Corporate Governance Principles and Recommendations;
- Ensuring effective benchmarking of total remuneration for executives in accordance with market practices and against a comparable and clearly defined peer group to ensure remuneration is fair and competitive including TFR as well as STI's and LTI's;
- Rewarding the achievement of individual and group performance objectives thus promoting a balance of individual performance and teamwork across the executive management team;
- Preserving cash where necessary and appropriate for exploration and project development;
- Subject to shareholder approvals, ensuring the pool of Directors fees available to non-executive Directors is adequate to attract high calibre Directors and to improve board diversity and performance; and
- Promoting independence and impartial decision making by the non-executive Directors.

Total Fixed Remuneration

Executives are offered a competitive level of TFR at market rates (for comparable peer companies), which are reviewed annually to ensure market competitiveness.

Short-Term Incentives

Senior executives will have an STI component included in their remuneration package representing a meaningful "at risk" short-term incentive payment. The payment will be "at risk" in that it will only be payable if a set of clearly defined and measurable performance metrics or Key Performance Indicators (KPIs) have been met in the applicable performance period. The KPIs may include a combination of Company KPIs and Individual KPIs. The Board will set KPIs based on metrics that are measurable, transparent, and achievable, designed to motivate and incentivise the recipient to achieve high performance, and are aligned with the Company's short term objectives and shareholder value creation.

The STI, if achieved, will be paid annually in either cash or equity (or a combination thereof) depending on the eligible employee's employment contract. STI opportunities will vary from employee to employee depending on role and responsibility and will be set out in the employee's employment contract. The STI opportunity for:

- the Managing Director will be up to 40% of TFR
- KMPs that report to the Managing Director will be up to 30% of TFR
- Other Senior Executives up to 20% of TFR

The above STI opportunity thresholds are subject to the annual review of the Board of Directors. KPIs will be set annually as part of the Annual Business Planning Cycle and are targeted to be finalised no later than the 31 July of each financial year as follows:

- KPIs for the Company and Managing Director are set and approved by the Board;
- KPIs for Senior executives are set by the Managing Director and approved by the Board
- KPIs will be reviewed by the Board and Executive Committee to ensure that hurdles are objectively measurable and aligned with Company strategy.
- KPI achievement may be subject to 'gateway' tests as itemised for a particular KPI (for example, irrespective of performance, a safety KPI will not be deemed achieved in the event that the Company experiences a fatality).

KPI targets and stretch targets will generally be aligned with the Company's strategic plan and may include HSE metrics, financial metrics, delivery of projects and growth initiatives, sustainability initiatives and improvements to Company systems and processes. KPI targets are not the same as budget targets. Philosophically, employees are paid their TFR for delivering budget performance and are paid "at risk" compensation for delivering better than budget performance. Stretch performance should be a level beyond this. Targets and stretch targets will be developed as part of the annual business planning cycle. The Board is responsible for the determination of whether the KPI targets or stretch targets have been achieved and how much of the STI will be payable for each performance period. In making such a determination it may obtain external expert advice.

Long-Term Incentives

Subject to Board discretion, the Company's philosophy is to include an appropriately sized "at risk" performance based long-term equity incentive (LTI) as a component of total remuneration. The LTI is "at risk" given that performance targets as set by the Board must be met prior to vesting. These targets must be based on metrics that are measurable, transparent, and achievable, designed to motivate and incentivise the recipient to achieve high performance, and are aligned with Company objectives and long-term shareholder value creation.

The value of LTI awarded will vary depending on the particular executive role and responsibilities. The LTI opportunity for:

- the Managing Director will be up to 100% of TFR
- KMPs that report to the Managing Director will be up to 70% of TFR
- Other senior executives up to 40% of TFR

LTI will consist of the offer of equity incentives, such as performance rights or options which will be subject to certain conditions as set out in the Offer Letter. Any performance LTI will vest in accordance with conditions set out in the Offer Letter, which are approved by the Board in accordance with applicable plan rules. Performance rights/options are generally determined after a measurement period or set by the Board of Directors and are subject to the Company's long-term performance relative to performance measures. The Board is responsible for the determination of whether and how much of the LTIs vest in accordance with the applicable plan's rules. In making such a determination it may obtain external expert advice.

Participants in the LTI plan, including executive directors and other senior executives, are prohibited (without approval from the Chair) from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Details of remuneration

Amounts of remuneration

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

The key management personnel of the Company during the financial year consisted of the following directors:

- Mark Connelly - Former Independent Non-Executive Chair (resigned 30 June 2022)
- Kenneth Williams - Independent Non-Executive Director (appointed 01 May 2022) and elected to Independent Non-Executive Chair (01 July 2022)
- Alexander Scanlon - Managing Director & Chief Executive Officer
- Christian Paech - Independent Non-Executive Director
- Graham Arvidson - Independent Non-Executive Director
- Neil Rose - Non-Executive Director
- Richard Crookes - Former Independent Non-Executive Director (resigned 01 May 2022)

And the following management persons:

- Marc Twining - Exploration Manager (appointed 15 November 2021)
- Nicholas Byrne - Chief Financial Officer (appointed 17 January 2022)

2022	Salary and Fees	Super-annuation	STI	Share-based payments	Total
	\$	\$	\$	\$	\$
<i>Non-Executive Directors</i>					
Mark Connelly (Chairman)	81,818	8,182	-	-	90,000
Christian Paech	54,545	5,455	-	-	60,000
Graham Arvidson	54,545	5,455	-	-	60,000
Neil Rose	54,545	5,455	-	-	60,000
Richard Crookes ¹	45,455	4,545	-	-	50,000
Kenneth Williams ²	13,636	1,364	-	-	15,000
<i>Executive Director</i>					
Alexander Scanlon	296,276	23,724	-	49,985	369,985
<i>Other Key Management Personnel</i>					
Marc Twining ³	125,757	12,576	-	11,424	149,757
Nicholas Byrne ⁴	62,587	6,259	-	5,627	74,473
Total	789,166	73,013	-	67,036	929,215

¹ Remuneration from 01 July 2021 to 01 May 2022

² Remuneration from 01 May 2022 to 30 June 2022

³ Remuneration from 15 November 2021 to 30 June 2022

⁴ Remuneration from 17 January 2022 to 30 June 2022

2021	Salary and Fees ¹	Super-annuation ¹	STI	Share-based payments	Total
	\$	\$	\$	\$	\$
<i>Non-Executive Directors</i>					
Mark Connelly (Chairman)	41,065	3,935	-	99,231	144,231
Christian Paech	43,495	4,155	-	66,154	113,804
Graham Arvidson	54,774	5,226	-	66,154	126,154
Neil Rose	54,774	5,226	-	66,154	126,154
Richard Crookes	35,654	3,410	-	66,154	105,218
<i>Executive Director</i>					
Alexander Scanlon	298,306	21,694	96,000	396,923	812,923
Total	528,068	43,646	96,000	760,770	1,428,484

¹ Includes amounts paid from wholly owned subsidiaries.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in a Senior Executive Employment Contract. Details of these agreements are as follows:

Name	Title	Fixed Remuneration	Variable Remuneration	Notice Period
Alexander Scanlon	Managing Director and Chief Executive Officer	\$320,000 pa inclusive of superannuation	STI - Up to 40% of Fixed Remuneration LTI – Up to 100% of Fixed Remuneration	Requires a period of 3 months-notice by Company and Employee
Marc Twining	Exploration Manager	\$220,000 pa inclusive of superannuation	STI - Up to 30% of Fixed Remuneration LTI – Up to 70% of Fixed Remuneration	Requires a period of 1 months-notice by Company and Employee
Nicholas Byrne	Chief Financial Officer	\$150,000 pa inclusive of superannuation	STI - Up to 30% of Fixed Remuneration LTI – Up to 70% of Fixed Remuneration	Requires a period of 1 months-notice by Company and Employee

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

Share-based payments

As outlined above, Directors may be eligible to participate in equity-based compensation schemes.

Options on issue

Options granted carry no dividend or voting rights. The terms and conditions of each grant of options over ordinary shares affecting the remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Alexander Scanlon ¹	960,000	05-Nov-2021	30-Jun-2024	30-Jun-2026	\$0.00	\$0.17
Alexander Scanlon ²	320,000	05-Nov-2021	30-Jun-2024	30-Jun-2026	\$0.00	\$0.128
Marc Twining ¹	287,328	24-Mar-2022	30-Jun-2024	30-Jun-2026	\$0.00	\$0.265
Marc Twining ²	95,776	24-Mar-2022	30-Jun-2024	30-Jun-2026	\$0.00	\$0.214
Nicholas Byrne ¹	141,537	24-Mar-2022	30-Jun-2024	30-Jun-2026	\$0.00	\$0.265
Nicholas Byrne ²	47,179	24-Mar-2022	30-Jun-2024	30-Jun-2026	\$0.00	\$0.214

^{1,2} These options will vest on satisfaction of specific performance conditions based on both market and non-market conditions.

¹ The option tranche is a non-market based performance target and the fair value is measured as the share price at grant date.

² The option tranche is market-based condition as a measure of Total Shareholder Return (TSR). The performance condition is measured in relative terms against a defined peer group of companies approved by the Board. The fair value of these options is estimated using Monte Carlo simulation valuation model at grant date. The Monte Carlo simulates the Company's share price and depending on the criteria arrives at a value based on the number of options that are likely to vest. Volatility is based on the share price volatility of the Company and the peer group of companies

All options were granted over unissued fully paid ordinary shares in the company. Any option not exercised before the expiry date will lapse on the expiry date. There are no participating rights or entitlements inherent in the options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. All shares allotted upon the exercise of options will rank pari passu in all respects with the Company's fully paid ordinary shares. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Additional information

Company Performance

The following table shows the performance of the Group over the past two years based on several key indicators:

		Financial year ended 30 June	
		2022	2021
Basic and diluted loss per share	cents	(2.337)	(4.126)
Net loss before tax	\$'000	(4,105)	(7,730)
Closing share price	\$	\$0.19	\$0.20
Closing market capitalisation	\$'000	\$33,367	\$35,123

Additional disclosures relating to key management personnel

Shareholding

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

Name	Held at 30 June 2021	Received as part of compensation	Additions	Disposals/ other	Held at 30 June 2022
Mark Connelly	100,000	-	-	-	100,000
Alexander Scanlon	43,611,459	-	70,000	-	43,681,459
Christian Paech	101,017	-	-	-	101,017
Neil Rose	13,964,234	-	-	-	13,964,234
Graham Arvidson	172,177	-	-	-	172,177
Richard Crookes	100,000	-	-	-	100,000
Total	58,048,887	-	70,000	-	58,118,887

Option holding

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

Name	Opening balance	Granted	Exercised	Expired/ forfeited/ other	Closing balance	Vested
Mark Connelly	750,000	-	-	-	750,000	750,000
Alexander Scanlon	3,000,000	1,280,000	-	-	4,280,000	3,000,000
Christian Paech	500,000	-	-	-	500,000	500,000
Graham Arvidson	500,000	-	-	-	500,000	500,000
Neil Rose	500,000	-	-	-	500,000	500,000
Richard Crookes	500,000	-	-	-	500,000	500,000
Marc Twining	-	383,104	-	-	383,104	-
Nicholas Byrne	-	188,716	-	-	188,716	-
Total	5,750,000	1,851,820	-	-	7,601,820	5,750,000

Other transactions with key management personnel and their related parties

A subsidiary is a party to a private royalty agreement with Australis Royalties Pty Ltd. Mr Scanlon is a director and entities associated with Messrs Scanlon and Rose hold relevant interests in the private royalty. Royalties are payable in respect of the production of certain minerals (in raw or processed form) based upon a fixed percentage of the amount of product produced. No royalties paid or payable in the year ended 30 June 2022 (2021: nil).

During the financial year, payments for accounting services from Straightline Group Pty Ltd (a director-related entity of Neil Rose) of \$15,318 were made. All transactions were made on normal commercial terms and conditions and at market rates. The services were discontinued from 01 April 2022.

In the prior year ended 30 June 2021, an entity associated with Mr Paech subscribed to convertible 200 notes issued by the Company. Mr Arvidson subscribed for 100 notes. The notes were issued at \$100 each and were automatically converted into fully paid ordinary shares on the Company's Initial Public Offering on the Australian Securities Exchange. The conversion price of the notes was based on a 20% discount to the IPO price.

Interest was payable on the convertible notes at a rate of:

- a) 0% per annum from the issue date to 31 March 2021;
- b) 5% per annum from 1 April 2021 to 31 July 2021; and
- c) 10% per annum from 1 August 2021 to maturity date.

The effective interest rate of the convertible notes is 48% which was derived by exactly discounting the estimated cash outflow at maturity to its fair value.

There were no other transactions with KMPs or related parties during the year.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Barton Gold Holdings Limited under option at the date of this report are as follows:

Grant date	Expiry	Exercise Price \$	Amount
15 March 2021	15 March 2025	\$0.375	6,500,000
18 June 2021	18 June 2024	\$0.3125	1,500,000
18 June 2021	18 June 2024	\$0.375	1,500,000
05 November 2021	30 June 2026	\$0.00	1,280,000
24 March 2022	30 June 2026	\$0.00	710,080
Total			11,490,080

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

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Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 21 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 21 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as an advocate for the company or jointly sharing economic risks and rewards.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 immediately after this directors' report.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Alexander Scanlon
Managing Director

23 September 2022
Adelaide, South Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF BARTON GOLD HOLDINGS LIMITED

As lead auditor of Barton Gold Holdings Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Barton Gold Holdings Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 23 September 2022

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General information

The financial statements cover Barton Gold Holdings Limited as a consolidated entity consisting of the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Barton Gold Holdings Limited's functional and presentation currency.

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

Registered office

Level 4
12 Gilles Street
Adelaide SA 5000

Principal place of business

Level 4
12 Gilles Street
Adelaide SA 5000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 September 2022. The directors have the power to amend and reissue the financial statements.

Barton Gold Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated	
		30 June 2022 \$'000	30 June 2021 \$'000
Other income	4	2,430	12
Expenses			
Exploration expenditure		(4,366)	(3,218)
Administrative and other expenses	5	(1,783)	(3,600)
Care and maintenance expenditure		(193)	(166)
Finance expense	5	(193)	(758)
Loss before income tax expense		(4,105)	(7,730)
Income tax expense	6	-	(3)
Loss after income tax expense for the year		(4,105)	(7,733)
<i>Items that may be reclassified to profit or loss:</i>			
Other comprehensive income		-	-
Other comprehensive loss for the year attributable to owners of the Company		(4,105)	(7,733)
Loss per share attributable to ordinary equity holders:		Cents	Cents
Basic and diluted loss per share	31	(2.337)	(4.126)

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

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Barton Gold Holdings Limited
Statement of financial position
As at 30 June 2022

		Consolidated	
	Note	30 June 2022	30 June 2021
		\$'000	\$'000
Current assets			
Cash and cash equivalents	7	11,200	14,891
Trade and other receivables	8	427	81
Other current assets	9	155	100
Total current assets		11,782	15,072
Non-current assets			
Other receivables	10	4,495	4,445
Exploration and evaluation expenditure	11	9,262	9,262
Plant and equipment	12	394	403
Total non-current assets		14,151	14,110
Total assets		25,933	29,182
Current liabilities			
Trade and other payables	13	328	502
Employee Benefits	14	69	27
Provisions	15	176	686
Total current liabilities		573	1,215
Non-current liabilities			
Provisions	15	15,091	13,694
Total non-current liabilities		15,091	13,694
Total liabilities		15,664	14,909
Net assets		10,269	14,273
Equity			
Issued capital	16	23,540	23,510
Reserves	17	1,281	1,210
Accumulated losses	18	(14,552)	(10,447)
Total equity		10,269	14,273

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Barton Gold Holdings Limited
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued capital	Reserves	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	4,741	-	(2,714)	2,027
Loss after income tax for the year	-	-	(7,733)	(7,733)
Total comprehensive loss for the year	-	-	(7,733)	(7,733)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of costs	18,769	-	-	18,769
Share-based payments	-	1,210	-	1,210
Balance as at 30 June 2021	23,510	1,210	(10,447)	14,273
Consolidated	Issued capital	Reserves	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	23,510	1,210	(10,447)	14,273
Loss after income tax for the year	-	-	(4,105)	(4,105)
Total comprehensive loss for the year	-	-	(4,105)	(4,105)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of costs	30	-	-	30
Share-based payments	-	71	-	71
Balance as at 30 June 2022	23,540	1,281	(14,552)	10,269

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Barton Gold Holdings Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated	
		30 June 2022	30 June 2021
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		1,274	-
Payments for exploration and evaluation expenditure		(3,672)	(3,028)
Payments to suppliers and employees		(1,970)	(2,218)
Interest received and other finance costs (paid)		1	(10)
Income tax paid		-	(3)
Net cash (outflow) from operating activities	29	(4,367)	(5,259)
Cash flows from investing activities			
Payments for property, plant and equipment		(12)	-
Payments for security deposits		(50)	-
Proceeds from sale of property, plant and equipment		738	243
Net cash inflow/(outflow) from investing activities		676	243
Cash flows from financing activities			
Proceeds from issues of shares, net of costs	16	-	15,699
Proceeds from borrowings		-	2,435
Net cash inflow/(outflow) from financing activities		-	18,134
Net increase/(decrease) in cash and cash equivalents		(3,691)	13,118
Cash and cash equivalents at the beginning of the financial year		14,891	1,773
Cash and cash equivalents at the end of the year	7	11,200	14,891

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Barton Gold Holdings Limited (**Company** or **Parent Entity**) as at 30 June 2022 and the results of all subsidiaries for the year then ended. Barton Gold Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is Barton Gold Holdings Limited's functional and presentation currency.

Foreign currency transactions

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Sale of gold and other metals

Sale of gold and other metals is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of refinery sampling.

Interest

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants relating to costs are recognised in profit or loss when the Company has met the requirements for claiming the grant.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Barton Gold Holdings Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

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

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

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

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

Cash and cash equivalents

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

Trade and other receivables

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

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

Cost is determined on the following basis:

- (a) Gold and other metals on hand is valued on an average total production cost method
- (b) Ore stockpiles are valued at the average cost of mining and stockpiling the ore, including haulage
- (c) A proportion of related depreciation and amortisation charge is included in the cost of inventory

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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

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

Buildings	25 years
Leasehold improvements	3 years
Plant and equipment	3-5 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Mining assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Trade and other payables

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

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

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

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

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

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

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

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

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

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

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

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

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

Fair value measurement

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

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

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

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

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.

Dividends

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

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 that are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity 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 consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 32 for further information.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

Recovery of deferred tax assets

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being exploration in Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the CODM to make strategic decisions. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Note 4. Other Income

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
Other income		
Gold concentrate	1,000	-
Profit on sale of assets	809	12
Government grant	596	-
Insurance recoveries	25	-
Other Income	2,430	12

Note 5. Expenses

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
Loss before income tax from continuing operations includes the following specific expenses:		
<i>Administrative expenses</i>		
Salary & wages	702	695
Administration costs	326	72
Insurance	220	196
Consultants	217	436
Compliance	103	37
Share-based payments	71	1,210
Royalty	35	-
Occupancy costs	17	7
IPO Listing costs	-	832
Depreciation	92	115
Total administration	1,783	3,600
<i>Finance costs expense</i>		
Interest accretion on rehabilitation provision	193	115
Interest accretion on convertible notes	-	609
Interest expense	-	34
Total finance expense	193	758

Note 6. Income tax expense

The prima facie income tax expense on pre-tax accounting losses from continuing operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
<i>Income tax expense</i>		
Current tax	-	3
Deferred tax	-	-
Income tax reported in the statement of profit and loss	-	3
 <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax from continuing operations	(4,105)	(7,733)
Tax at the Australian tax rate of 25% (2021: 27.5%)	(1,026)	(2,127)
Tax effect of amounts that are not deductible (taxable) in calculating taxable income:		
Non-assessable income	(104)	-
Non-deductible expenses	263	(428)
Temporary differences not brought to account	867	(1,696)
Income tax expense / (benefit)	-	(3)

The tax rate used in the above reconciliation is the corporate tax rate of 25% (2021: 27.5%) payable by Australian base rate entities (those with turnover less than \$50 million of revenue, and 80% or less of their assessable income is base rate entity passive income).

Note 7. Current assets – cash and cash equivalents

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
Cash at bank	2,200	14,891
Cash on deposit	9,000	-
	11,200	14,891

Cash and short-term deposits comprise of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Note 8. Current assets – receivables

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
Grants	422	-
GST	5	81
	427	81

Government grants related to research and development incentive for income tax year 2020/21 and South Australia government Landing Pad to offset costs of establishing a corporate office in Adelaide.

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Note 9. Current assets – other

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
Prepayments	85	100
Security deposit	25	-
Supplier advances	45	-
	155	100

Note 10. Non-current assets – receivables

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
Bonds on deposit	4,495	4,445
	4,495	4,445

Bonds on deposit are cash bonds placed with the South Australian, Department of Energy and Mining to support future environmental and rehabilitation performance obligations.

Note 11. Non-current asset - exploration and evaluation expenditure

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
Exploration and evaluation - at cost	9,262	9,262
Closing balance	9,262	9,262

Note 12. Non-current asset - property, plant and equipment

	Consolidated	
	30 June 2022	30 June 2022
	\$'000	\$'000
Land and buildings - at cost	80	80
Less: Accumulated depreciation	(6)	-
	74	80
Plant and equipment - at cost	544	467
Less: Accumulated depreciation	(224)	(144)
	320	323
Net carrying value	394	403

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Reconciliations

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

Consolidated	Land and Buildings \$000	Plant & Equipment \$000	Total \$000
Opening balance as at 1 July 2020	80	530	610
Additions			
Classified as held for sale			
Disposal	-	(92)	(92)
Depreciation expense	-	(115)	(115)
Closing balance as at 30 June 2021	<u>80</u>	<u>323</u>	<u>403</u>
Opening balance as at 1 July 2021	80	323	403
Additions	-	83	83
Classified as held for sale	-	-	-
Disposal	-	-	-
Depreciation expense	(6)	(86)	(92)
Closing balance as at 30 June 2022	<u>74</u>	<u>320</u>	<u>394</u>

Note 13. Current liabilities - trade and other payables

	Consolidated 30 June 2022 \$'000	30 June 2021 \$'000
Trade payables	286	203
Other payables	42	299
	<u>328</u>	<u>502</u>

Note 14. Current liabilities – employee entitlements

	Consolidated 30 June 2022 \$'000	30 June 2021 \$'000
Annual leave	69	27
	<u>69</u>	<u>27</u>

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current since the consolidated entity does not have an unconditional right to defer settlement.

Note 15. Provisions

	Consolidated 30 June 2022 \$'000	30 June 2021 \$'000
Current rehabilitation provision	176	686
Non-current rehabilitation provision	15,091	13,694
	<u>15,267</u>	<u>14,380</u>

Rehabilitation

The provision represents the present value of estimated costs for future rehabilitation of land explored or mined by the consolidated entity at the end of the exploration or mining activity.

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Movement in Provision

Movement in the rehabilitation provision during the current financial year are set out below:

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
Opening balance	14,380	13,669
Changes in rehabilitation estimates	694	595
Unwinding of the discount	193	115
Closing balance	<u>15,267</u>	<u>14,380</u>

Note 16. Equity – issued capital

	Consolidated			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	175,616,719	175,616,719	23,540	23,510

Movements in ordinary share capital

Details	Date of issue	Number of shares	Issue Price per share	\$'000
Balance	01 Jul 2020	200,604,063		4,741
Share issue	20 Jul 2020	2,492,877	\$0.20	500
Share issue	10 Aug 2020	123,750	\$0.24	30
Share issue	10 Sep 2020	2,496,368	\$0.20	501
Share issue	1 Dec 2020	918,750	\$0.27	252
Share consolidation (2:1)	15 Mar 2021	(103,317,893)	n/a	-
Conversion of convertible note	14 Jun 2021	12,298,804	\$0.25	3,069
Initial public offer	18 Jun 2021	60,000,000	\$0.25	15,000
Transaction costs		-	n/a	(583)
Balance	30 Jun 2021	175,616,719		23,510
Transaction costs		-	n/a	30
Balance	30 Jun 2022	175,616,719		23,540

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. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every 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.

Capital risk management

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. There are no externally imposed capital requirements.

The consolidated entity's objectives when managing capital is by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior period. This strategy is to ensure that the Group can fund its future activities.

Note 17. Equity – reserves

	Consolidated	
	30 June 2022 \$'000	30 June 2021 \$'000
Share based payment reserve	1,281	1,210
Total	1,281	1,210

Share based payment reserve

Share based payments reserve records items recognised as expenses on the valuation of directors and employee's share options and rights.

Note 18. Equity – retained losses

	Consolidated	
	30 June 2022 \$'000	30 June 2021 \$'000
Retained earnings at the beginning of financial year	10,447	2,712
Loss after income tax for the year	4,105	7,735
Retained earnings at the end of the financial year	14,552	10,447

Note 19. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: interest rate risk; credit risk and liquidity risk. The Group'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 Group.

The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, and use of financial instruments and investment of excess liquidity where appropriate. Risk management is carried out by management under policies approved by the Board. Management identifies and evaluates the risk exposure to the Group and will implement financial hedges to minimise the risks where appropriate.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to related parties.

Market risk

Interest rate risk

The Group's exposure to market risk for changes in interest rates arises from variable interest rate exposure on cash, fixed deposits and interest-bearing liabilities.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short-term, fixed rate and variable rate deposits with reputable high credit quality financial institutions. With interest-bearing liabilities, consideration is also given to the potential renewal of existing positions, alternative financing, and the mix of fixed and variable interest rates.

The following table summarises the financial assets and liabilities of the Group, together with the effective interest rates as at the balance date.

	2022					Average interest rates	
	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Floating	Fixed
		< 1 year	1 – 5 years	> 5 years			
	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Cash and cash equivalents	2,200	9,000	-	-	-	0.01%	3.28%
Trade and other receivables	-	-	-	-	189	-	-
Trade and other payables	-	-	-	-	649	-	-

2021	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Average interest rates	
		< 1 year	1 – 5 years	> 5 years		Floating	Fixed
	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Cash and cash equivalents	14,891	-	-	-	-	0.01%	-
Trade and other receivables	-	-	-	-	81	-	-
Trade and other payables	-	-	-	-	502	-	-

As at 30 June 2022, a movement of 1% in interest rates, with all other variables being held constant, results in an immaterial movement in pre-tax losses.

Credit risk

Credit risk arises from the financial assets of the Group, and its exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of the instruments. The Group's exposure to credit risk is minimal and results only from its exposure in cash and cash equivalents. The Group holds its cash with Westpac and the Commonwealth bank which has a long-term credit rating of AA- rating from S&P Global Ratings.

Liquidity risk

The Group's objective is to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost-effective manner.

The Group's treasury function continually reviews the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

2022	< 1 year \$'000	1 – 5 years \$'000	Total \$'000
Cash and cash equivalents	11,200	-	11,200
Trade and other receivables	189	-	189
Trade and other payables	(649)	-	(649)
Net inflow	10,740	-	10,740
2021			
Cash and cash equivalents	14,891	-	14,891
Trade and other receivables	81	-	81
Trade and other payables	(502)	-	(502)
Net inflow	14,470	-	14,470

Note 20. Key management personnel disclosures

Compensation

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

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Short-term employee benefits	789,166	624,068
Post-employment benefits	73,013	43,646
Share-based payments	67,036	760,770
	929,215	1,428,484

There were no loans or other transactions with key management personnel during the year ended 30 June 2022.

Note 21. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by BDO, the auditor of the company, its network firms, and unrelated firms.

	30 June 2022	30 June 2021
	\$	\$
<i>Auditing services - BDO</i>	50,263	68,685
Tax advisory services	1,500	24,205
Preparation of Investigative Accountants Report	-	18,540
	51,763	111,430

Note 22. Contingent assets and liabilities

The Group had no contingent assets or liabilities at 30 June 2022 (2021: nil).

Note 23. Commitments

	30 June 2022	30 June 2021
	\$'000	\$'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant, and equipment	161	-
	161	-

Note 24. Related party transactions

Parent entity

Barton Gold Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Loans between entities in the wholly owned Group are non-interest bearing, unsecured and are payable upon reasonable notice having regard to the financial situation of the entity.

Joint ventures

Interests in joint ventures are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	30 June 2022	30 June 2021
	\$	\$
Payment for goods and services:		
Payments for accounting services from Straightline Group Pty Ltd (a director-related entity of Neil Rose)	15,318	35,766

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

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Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2022 \$'000	2021 \$'000
Profit / (Loss) after income tax for the period	263	(2,602)
Total comprehensive profit / (loss) for the period	263	(2,602)

Statement of financial position

	Parent 2022 \$'000	2021 \$'000
Total current assets	22,069	21,276
Total non-current assets	-	-
Total assets	22,069	21,276
Total current liabilities	367	389
Total non-current liabilities	-	-
Equity		
Issued capital	22,755	22,725
Reserves	1,281	1,210
Accumulated losses	(2,334)	(2,598)
Total equity	21,702	21,337

Guarantees

The parent entity had not entered into any cross guarantees with its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity.

Note 26. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Class of shares	Equity % 2022	Equity % 2021
Barton Gold Holdings Australia Pty Ltd	Australia	Ordinary	100	100
Barton Gold Pty Ltd	Australia	Ordinary	100	100
Roma Resources SA Pty Ltd	Australia	Ordinary	100	100
Tunkillia 2 Pty Ltd	Australia	Ordinary	100	100
Tarcoola 2 Pty Ltd	Australia	Ordinary	100	100
Challenger 2 Pty Ltd	Australia	Ordinary	100	100
Jumbuck Equipment Pty Ltd	Australia	Ordinary	100	100

Note 27. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

Name	Country of incorporation	Ownership Interest	
		2022 %	2021 %
Western Gawler Craton Joint Venture	Australia	21.16	21.16
All Minerals Joint Venture	Australia	90.00	90.00

Note 28. Events after the reporting period

Exploration

On 25 July 2022 the Company announced multiple high-grade drilling assays that infilled the Perseverance West gold zone adjacent to the Perseverance West open pit mine (Tarcoola), confirming strike and depth extensions of the southern end of the open pit. Subsequently, on 22 August 2022, the Company announced that assays from a further three step-out drill holes had extended this Perseverance West gold zone by a further ~50m.

On 5 September 2022 the Company announced the results of its May / June 2022 drilling program at Tunkillia, confirming another new gold zone at the Area 51 prospect comprising 500 metres mineralised strike and significantly expanding the mineral footprint of Tunkillia.

Shortly thereafter, on 7 September 2022 the Company announced the start of a follow up drilling program at Tunkillia, targeting approximately 9,000 metres RC drilling intended to support a JORC (2012) Mineral Resources Estimate update for the project.

Corporate

On 14 July 2022, the Company announced that it had changed its registered office and principal place of business to the address of its new Adelaide headquarters, being Level 4, 12 Gilles Street, Adelaide SA 5000, Australia.

During August 2022 the Company also welcomed Mr David Wilson, another highly experienced South Australian mining professional, as its new General Manager of Projects to lead Barton's ongoing asset realisation initiatives.

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

Note 29. Reconciliation of loss after income tax to net cash flows from operations activities

	Consolidated 2022 \$'000	2021 \$'000
Loss after income tax for the year	(4,105)	(7,733)
Adjustments for:		
Depreciation	92	115
Profit on sale of assets	(809)	(12)
Share-based payments	71	1,210
Non-cash rehabilitation adjustment	694	709
Interest accretion	193	633
Tax expense	-	3
Changes in operating assets and liabilities		
(Increase)/Decrease in trade and other receivables	(345)	36
(Increase) in other current assets	(56)	(100)
(Decrease) in trade and other payables	(144)	(147)
Increase in Employee entitlements	42	27
Net cash flows from operating activities	<u>(4,367)</u>	<u>(5,259)</u>

Note 30. Non-cash investing and financing activities

In the prior year:

- the Company issued three (3) million options to the joint lead manager for services in relation to the Company's Initial Public Offering in June 2021.
- the Company issued 61,875 shares at an issue price of \$0.48 to a third party for services associated with geophysics, total \$29,700.

Note 31. Loss per share

	Consolidated	
	30 June 2022	30 June 2021
	\$'000	\$'000
<i>Loss per share for profit from continuing operations</i>		
Loss used in calculating basic and diluted loss per share from continuing operations	(4,105)	(7,733)
	Shares	Shares
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	175,616,708	187,406,067
	Cents	Cents
Basic loss and diluted loss per share	2.337	4.126

Basic loss per share is determined by dividing net loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period.

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

Note 32. Share-based payments

The Company provides benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. Eligible employees may receive share-based payments as a benefit under the Employee Incentive Scheme.

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for options and the option exercise price is determined by the Board. An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The Board may determine the vesting period, if any.

No voting or dividend rights are attached to the options. No voting rights are attached to unissued ordinary shares. Voting rights are attached to unissued ordinary shares after options have been exercised.

On 5 November 2021 Mr Scanlon was issued, under the Employee Incentive Scheme, 1,280,000 zero priced options.

On 24 March 2022 key management and an employee were issued, under the Employee Incentive Scheme, 710,080 zero priced options.

Set out below are summaries of options granted under the plan:

2022

Grant date	Expiry date	Exercise price	Balance at start of year	Granted	Exercised	Expired/ forfeited/ other	Balance at end of the year
15/03/2021	15/03/2025	\$0.375	6,500,000	-	-	-	6,500,000
18/06/2021	18/06/2024	\$0.3125	1,500,000	-	-	-	1,500,000
18/06/2021	18/06/2024	\$0.375	1,500,000	-	-	-	1,500,000
05/11/2021	05/11/2026	\$0.00		1,280,000	-	-	1,280,000
24/03/2022	30/06/2026	\$0.00		710,080	-	-	710,080
			9,500,000	1,990,080	-	-	11,490,080

Weighted average exercise price	\$0.3651	\$0.00	-	-	\$0.3019
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2021

Grant date	Expiry date	Exercise price	Balance at start of year	Granted	Exercised	Expired/ forfeited/ other	Balance at end of the year
15/03/2021	15/03/2025	\$0.375	-	6,500,000	-	-	6,500,000
18/06/2021	18/06/2024	\$0.3125	-	1,500,000	-	-	1,500,000
18/06/2021	18/06/2024	\$0.375	-	1,500,000	-	-	1,500,000
			-	9,500,000	-	-	9,500,000

Weighted average exercise price	-	\$0.3651	-	-	\$0.3651
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The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.78 years (2021: 3.69 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
05/11/2021 ¹	30/06/2026	30/6/2025	\$0.17	\$0.00	85%	Nil	0.90%	\$0.17
05/11/2021 ²	30/06/2026	30/6/2025	\$0.17	\$0.00	85%	Nil	0.90%	\$0.128
24/03/2022 ¹	30/06/2026	30/6/2025	\$0.265	\$0.00	80%	Nil	2.17%	\$0.265
24/03/2022 ²	30/06/2026	30/6/2025	\$0.265	\$0.00	80%	Nil	1.45%	\$0.214

^{1,2} These options will vest on satisfaction of specific performance conditions based on both market and non-market conditions.

¹ The option tranche is non-market based performance target and the fair value is measured as the share price at grant date.

² The option tranche is market-based condition as a measure of Total Shareholder Return (TSR). The performance condition is measured in relative terms against a defined peer group of companies approved by the Board. The fair value of these options is estimated using Monte Carlo simulation valuation model at grant date. The Monte Carlo simulates the Company's share price and depending on the criteria arrives at a value based on the number of options that are likely to vest. Volatility is based on the share price volatility of the Company and the peer group of companies.

**Barton Gold Holdings Limited
Directors' Declaration
For the year ended 30 June 2022**

In the Directors' opinion:

- (a) the Consolidated Financial Statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position for year ended 30 June 2022 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (c) the financial statements and notes thereto are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

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

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



Alexander Scanlon
Managing Director

Adelaide, South Australia
23 September 2022

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INDEPENDANT AUDITORS REPORT

To the members of Barton Gold Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Barton Gold Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 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 those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *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.

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Carrying value of exploration and evaluation asset

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The carrying value of capitalised exploration and evaluation assets as at 30 June 2022 is disclosed in Note 11 of the financial report.</p> <p>The Group has adopted the accounting policy to capitalise acquisition costs relating to exploration and evaluation expenditure and expense ongoing exploration activities.</p> <p>As the carrying value of exploration and evaluation assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset should be subject to impairment testing.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and director’s minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 11 to the financial report.

Accounting for share based payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the financial year, the Group granted options to key management personnel and other employees of the Company.</p> <p>Refer to Note 31 of the financial report for a description of the accounting policy, the significant estimates and judgements applied to these arrangements and for disclosure of the arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments in accordance with AASB 2 Share Based Payment, we consider the Group’s calculation of the share-based payments expense to be a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing market announcements and board meeting minutes to ensure all share based payments have been recognised; • Reviewing the relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payments arrangements; • Evaluating management’s methodology for calculating the fair value of the share-based payments, including assessing the valuation inputs using internal specialists where appropriate; and • Assessing the adequacy of the related disclosures in Note 31 of the financial report.

Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2022.

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

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO


Phillip Murdoch
Director

Perth, 23 September 2022

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Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at **31 August 2022**.

Issued Equity Capital

	Ordinary Shares	Options
Number of holders	863	18
Number on issue	175,616,719	11,490,080

Voting Rights

Voting rights, on a show of hands, are one vote for every registered holder of Ordinary Shares and on a poll, are one vote for each share held by registered holders of Ordinary Shares. Options do not carry any voting rights.

Distribution of Holdings of Equity Securities

Fully Paid Ordinary Shares

Holding ranges	Number of Equity Security Holders	
	Ordinary Shares	Units
1 – 1,000	22	7,622
1,001 – 5,000	180	601,657
5,001 – 10,000	158	1,271,247
10,001 – 100,000	352	14,361,377
100,001 and over	151	159,374,816
Total	863	175,616,719

Unlisted options exercisable at \$0.3125 and expiring 18 June 2024

Holding ranges	Number of Equity Security Holders	
	Options	Units
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	0	0
100,001 and over	3 ⁽¹⁾	1,500,000
Total	3	1,500,000

⁽¹⁾ Taycol Nominees Pty Ltd <211 A/C> holds 712,333 options, comprising 47.49% of this class; Sprott Capital Partners LP holds 431,500 options, comprising 28.77% of this class; and Cannacord Genuity (Australia) Limited holds 356,167 comprising 23.74% of this class.

Unlisted options exercisable at \$0.375 and expiring 18 June 2024

Holding ranges	Number of Equity Security Holders	
	Options	Units
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	0	0
100,001 and over	3 ⁽¹⁾	1,500,000
Total	3	1,500,000

⁽¹⁾ Taycol Nominees Pty Ltd <211 A/C> holds 712,333 options, comprising 47.49% of this class; Sprott Capital Partners LP holds 431,500 options, comprising 28.77% of this class; and Cannacord Genuity (Australia) Limited holds 356,167 comprising 23.74% of this class.

Unlisted options exercisable at \$0.375 and expiring 15 March 2025

Holding ranges	Number of Equity Security Holders	
	Options	Units
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	0	0
100,001 and over	8	6,500,000
Total	8	6,500,000

Unlisted options exercisable at \$0.00 and expiring 30 June 2026

Holding ranges	Number of Equity Security Holders	
	Options	Units
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	0	0
100,001 and over	4	1,990,080
Total	4	1,990,080

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel (being 192,807 Shares as at 31 August 2022) based on a closing market price of \$0.170 was 102.

Substantial Shareholders

	Number of Ordinary Shares	Percentage (%)
Gocta Holdings Pty Ltd ¹	43,611,459	24.83%
Six Fingers Pty Ltd <Six Fingers Discretion A/C> ¹	13,974,649	7.96%
Telarah Holdings Pty Ltd <Telarah Trust A/C> ¹	13,964,234	7.95%
Gatej Pty Ltd ¹	13,932,984	7.93%

¹ As disclosed in substantial shareholding notices lodged on ASX on 28 June 2021.

On Market Buy Back

There is no current on-market buy-back.

Restricted Securities

The Company has the following restricted securities on issue.

Class	Number of Securities	Escrow Period
Fully Paid Ordinary Shares	89,657,496	Until 28 June 2023
Unlisted options exercisable at \$0.3125 and expiring 18 June 2024	1,500,000	Until 28 June 2023
Unlisted options exercisable at \$0.375 and expiring 18 June 2024	1,500,000	Until 28 June 2023
Unlisted options exercisable at \$0.375 and expiring 15 March 2025	6,500,000	Until 28 June 2023

Top 20 Shareholders

Rank	Name	Number of Ordinary Shares	Percentage (%)
1	Gocta Holdings Pty Ltd	43,611,459	24.83%
2	Six Fingers Pty Ltd <Six Fingers Discretion A/C>	13,974,649	7.96%
3	Telarah Holdings Pty Ltd <Telarah A/C>	13,964,234	7.95%
4	GateJ Pty Ltd <The Gabal A/C>	13,932,984	7.93%
5	J P Morgan Nominees Australia Pty Limited	8,600,000	4.90%
6	Primero Group Ltd	7,481,250	4.26%
7	Citicorp Nominees Pty Limited	4,094,068	2.33%
8	Juan Herraes Balanzat	3,311,981	1.89%
9	Magliano Pty Ltd	2,000,000	1.14%
10	Berne No 132 Nominees Pty Ltd <656165 A/C>	2,000,000	1.14%
11	Andrew Campbell Bales	1,822,917	1.04%
12	Superhero Securities Limited <Client A/C>	1,811,295	1.03%
13	CS Fourth Nominees Pty Limited < HSBC Cust Nom AU Ltd 11 A/C>	1,695,744	0.97%
14	Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	1,400,000	0.80%
15	I & C Hartmann Investments Pty Ltd <I & C Hartmann Family A/C>	1,396,362	0.80%
16	Norup & Wilson Pty Ltd <Norup & Wilson Unit A/C>	1,025,000	0.58%
17	Alkat Pty Ltd <Bowen Welsh (BWT) A/C>	1,000,000	0.57%
18	Mr Gareth Yeung Sum Ho	969,609	0.55%
19	Treasury Services Group Pty Ltd <Nero Resource Fund A/C>	800,000	0.46%
20	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	759,279	0.43%
	TOTAL	125,650,831	71.55%

Corporate Governance

The Company's 2022 Corporate Governance Statement is available in the Corporate Governance section of the Company's website: <https://bartongold.com.au/corporate/governance/>

This document is reviewed regularly to address any changes in governance practices and the law.

Use of Funds

The Company confirms that since admission to the ASX on 28 June 2021, it has used its cash and assets in a form convertible to cash that it had at the time of admission in a way consistent with its business objectives.

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Schedule of Mining Tenements

Tenement	Location	Nature of Interest	Interest as at 30 June
Tunkillia 2 Pty Ltd			
EL6639	South Australia	Granted	100%
EL5901	South Australia	Granted	100%
ELA2022/00022 ³	South Australia	Application	0%
Tarcoola 2 Pty Ltd			
EL6167	South Australia	Granted	100%
EL6210	South Australia	Granted	100%
ML6455	South Australia	Granted	100%
ERA1199 ³	South Australia	Application	0%
Challenger 2 Pty Ltd			
EL6625 ¹	South Australia	Granted	100%
EL6012 ¹	South Australia	Granted	100%
EL6173 ¹	South Australia	Granted	100%
EL6502 ¹	South Australia	Granted	100%
EL6532 ¹	South Australia	Granted	100%
ML6103	South Australia	Granted	100%
ML6457	South Australia	Granted	100%
MPL63	South Australia	Granted	100%
MPL65	South Australia	Granted	100%
MPL66	South Australia	Granted	100%
EL5998 ^{1,2}	South Australia	Granted	90%
EL6569 ^{1,2}	South Australia	Granted	90%

1) Tenements EL 6625, EL 6012, EL 6173, EL 6532, EL 5998, EL 6569 and the southern portion of EL 6502 comprise the tenements of the Western Gawler Craton Joint Venture (**WGCJV**) in which the Company presently holds a 21.16% gold rights interest (the **WGCJV Tenements**)¹.

2) Tenements EL 5998 and EL 6569 comprise the tenements of the All Minerals Joint Venture (**All Minerals JV**) in which the Company presently holds a 90% gold rights interest (the **All Minerals JV Tenements**)². Accordingly, where the Company has a present 21.16% gold rights interest in the WGCJV Tenements, the Company therefore has a present net 19.04% gold rights interest in the All Minerals JV Tenements (being equivalent to a present 21.16% WGCJV interest multiplied by a present 90% All Minerals JV interest). With the exception of the All Minerals JV Tenements where the Company (via wholly-owned subsidiary Challenger 2 Pty Ltd) holds a 90% titled interest, the Company (via its subsidiaries) presently holds a 100% titled interest in all Tenements. In respect of the All Minerals JV, Coombedown Resources Pty Ltd (**Coombedown**) retains a 10% titled interest in the tenements and a 10% free carried interest in the mineral rights thereupon until a decision to mine.

3) During the year ended 30 June 2022 the Company's wholly-owned subsidiary Tunkillia 2 Pty Ltd applied, and has received confirmation of application, for ELA2022/00022 covering ~80km² adjacent to the Tunkillia Project. The Company also applied, via wholly-owned subsidiary Tarcoola 2 Pty Ltd, for ERA1199 covering an area adjacent to the Tarcoola Gold Project.

¹ Refer to Barton Prospectus dated 14 May 2021 and Barton ASX announcement dated 14 October 2021

² Refer to Barton Prospectus dated 14 May 2021

Barton Gold Holdings Limited
Mineral Resources and Ore Reserves Information
As at 30 June 2022

Mineral Resources Annual Statement and Review

The Company carries out an annual review of its Mineral Resources as required by the ASX Listing Rules. The review was carried out as at 30 June 2022. The estimates for Mineral Resources were prepared and disclosed under the JORC Code 2012 and originally announced in the Company's Prospectus dated 14 May 2021.

There is no material change to the Mineral Resources reported as at 30 June 2022 compared to that reported at 14 May 2021, being the date of the Company's Prospectus.

Total Attributable Mineral Resource Inventory as at 30 June 2022

Project	Zone	Indicated			Inferred			Total		
		MT	g/t Au	koz Au	MT	g/t Au	koz Au	MT	g/t Au	koz Au
Tunkillia* 100%	Oxide zone	4.8	1.27	195	1.7	0.92	50	6.5	1.17	245
	Fresh zone	12.7	1.14	465	6.9	1.15	255	19.6	1.14	720
		17.5	1.17	660	8.6	1.11	305	26.1	1.15	965
Tarcoola* 100%	Perseverance Pit	0.07	1.7	3.8	0.07	1.1	2.4	0.14	1.4	6.2
	Low grade stockpile - oxide	-	-	-	0.17	1.2	6.9	0.17	1.2	6.9
	Low grade stockpile - fresh	-	-	-	0.06	1.4	2.7	0.06	1.4	2.7
		0.07	1.7	3.8	0.30	1.2	12.0	0.37	1.3	15.8
Challenger* 100%	Above 215 RL Fault	-	-	-	0.32	4.1	42.6	0.32	4.1	42.6
	Challenger Deeps (below 90m RL)	-	-	-	0.21	3.5	23.0	0.21	3.5	23.0
		-	-	-	0.53	3.9	65.6	0.53	3.9	65.6
WGCJV*^ (~19-21%)	Golf Bore	0.6	1.0	18	3.2	1.0	100	3.8	1.0	119
	Campfire Bore	-	-	-	2.8	1.2	109	2.8	1.2	109
	Greenwood	0.1	1.4	7	0.8	1.6	39	0.9	1.6	46
	Monsoon	-	-	-	0.6	0.8	17	0.6	0.8	17
	Typhon	-	-	-	0.3	1.9	16	0.3	1.9	16
	Mainwood	-	-	-	0.4	1.1	12	0.4	1.1	12
		0.7	1.1	25	7.99	1.1	294	8.7	1.1	319
		17.7	1.2	669	10.97	1.2	439	28.68	1.20	1,108

Total Attributable Mineral Resource Inventory as at the Company's Prospectus date (14 May 2021)

Project	Zone	Indicated			Inferred			Total		
		MT	g/t Au	koz Au	MT	g/t Au	koz Au	MT	g/t Au	koz Au
Tunkillia* 100%	Oxide zone	4.8	1.27	195	1.7	0.92	50	6.5	1.17	245
	Fresh zone	12.7	1.14	465	6.9	1.15	255	19.6	1.14	720
		17.5	1.17	660	8.6	1.11	305	26.1	1.15	965
Tarcoola* 100%	Perseverance Pit	0.07	1.7	3.8	0.07	1.1	2.4	0.14	1.4	6.2
	Low grade stockpile - oxide	-	-	-	0.17	1.2	6.9	0.17	1.2	6.9
	Low grade stockpile - fresh	-	-	-	0.06	1.4	2.7	0.06	1.4	2.7
		0.07	1.7	3.8	0.30	1.2	12.0	0.37	1.3	15.8
Challenger* 100%	Above 215 RL Fault	-	-	-	0.32	4.1	42.6	0.32	4.1	42.6
	Challenger Deeps (below 90m RL)	-	-	-	0.21	3.5	23.0	0.21	3.5	23.0
		-	-	-	0.53	3.9	65.6	0.53	3.9	65.6
WGCJV*^ (~20-22%)	Golf Bore	0.6	1.0	18	3.2	1.0	100	3.8	1.0	119
	Campfire Bore	-	-	-	2.8	1.2	109	2.8	1.2	109
	Greenwood	0.1	1.4	7	0.8	1.6	39	0.9	1.6	46
	Monsoon	-	-	-	0.6	0.8	17	0.6	0.8	17
	Typhoon	-	-	-	0.3	1.9	16	0.3	1.9	16
	Mainwood	-	-	-	0.4	1.1	12	0.4	1.1	12
		0.7	1.1	25	7.99	1.1	294	8.7	1.1	319
		17.7	1.2	669	11.03	1.2	441	28.74	1.20	1,110

*Figures subject to rounding; tonnages are dry metric tonnes; all Mineral Resources classified as 'inferred' are approximate; cut-off grades applied are 0.4 g/t Au (Tunkillia), 0.4 g/t Au (Tarcoola), 2.0 g/t Au (Challenger), 0.5 g/t Au (WGCJV).

^WGCJV: The Company has a present gold rights interest of 21.16% (2021: 21.99%) in Monsoon and Typhoon and 19.04% (2021: 19.79%) in Golf Bore, Campfire Bore, Greenwood and Mainwood. Accordingly, the Company's approximate attributable Mineral Resources inventory from the WGCJV is 61,400 ounces Au (2021: 63,900 ounces Au).

Estimation Governance Statement

The Company ensures that all exploration results and Mineral Resource estimations are subject to appropriate levels of governance and internal controls.

Exploration results are collected and managed by an employee of the Company who is an experienced and competent qualified geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource estimates are prepared by qualified independent Competent Persons. If there is a material change in the estimate of a Mineral Resource, the estimate and supporting documentation in question is reviewed by a suitable qualified independent Competent Persons.

The Company reviews and reports its Mineral Resources on an annual basis in accordance with JORC Code 2012.

Competent Persons Statements

The information in this report relating to Exploration Results for the Company as from 15 November 2021 is based upon, and fairly represents, information and supporting documentation compiled by Mr Marc Twining BSc (Hons). Mr Twining is an employee of Barton Gold Holdings Limited and is a Member of the Australasian Institute of Mining and Metallurgy Geoscientists (AusIMM Member 112811) and has sufficient experience with the style of mineralisation, the deposit type under consideration and the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr Twining consents to the inclusion in this report of the matters based upon this information in the form and context in which it appears and to this Annual Statement as a whole.

Competent Persons (Tarcoola)

The information in this report that relates to the estimate of Mineral Resources for the Tarcoola Project is based upon, and fairly represents, information and supporting documentation compiled by Dr Andrew Fowler MAusIMM CP (Geo). Dr Fowler is an employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Company's Tarcoola Project, South Australia. Dr Fowler is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code).

The information in this report that relates to Exploration Results for the Tarcoola Project prior to 15 November 2021 (including drilling, sampling, geophysical surveys and geological interpretation) is based upon, and fairly represents, information and supporting documentation compiled by Mr Colin Skidmore BSc Hons (Geology) MAppSc. Mr Skidmore is an employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Company's Tarcoola Project, South Australia. Mr Skidmore is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code).

The information in the report that relates to Exploration Results for the Tarcoola Project as from 15 November 2021 is based upon, and fairly represents, information and supporting documentation compiled by Mr Marc Twining BSc (Hons). Mr Twining is an employee of the Company and is a Member of the Australasian Institute of Mining and Metallurgy Geoscientists (AusIMM Member 112811) and has sufficient experience with the style of mineralisation, the deposit type under consideration and the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code).

Competent Person (Tunkillia)

The information in this report that relates to the estimate of Mineral Resources for the Tunkillia Project including drilling, sampling and geological interpretation is based upon, and fairly represents, information and supporting documentation compiled by Dr Andrew Fowler MAusIMM CP (Geo). Dr Fowler is an employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Company's Tunkillia Project, South Australia. Dr Fowler is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code).

The information in this report that relates to Exploration Results for the Tunkillia Project prior to 15 November 2021 (including drilling, sampling, geophysical surveys and geological interpretation) is based upon, and fairly represents, information and supporting documentation compiled by Mr Colin Skidmore BSc Hons (Geology) MAppSc. Mr Skidmore is an employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Company's Tunkillia Project, South Australia. Mr Skidmore is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code).

The information in the report that relates to Exploration Results for the Tunkillia Project as from 15 November 2021 is based upon, and fairly represents, information and supporting documentation compiled by Mr Marc Twining BSc (Hons). Mr Twining is an employee of the Company and is a Member of the Australasian Institute of Mining and Metallurgy Geoscientists (AusIMM Member 112811) and has sufficient experience with the style of mineralisation, the deposit type under consideration and the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code).

Competent Person (Challenger)

The information in this report that relates to the estimate of Mineral Resources for the Challenger Mine is based upon, and fairly represents, information and supporting documentation compiled by Mr Dale Sims, a Competent Person, who is a Chartered Professional Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Member of the Australian Institute of Geoscientists (AIG). Mr Sims is the principal of Dale Sims Consulting Pty Ltd and an independent consultant engaged by the Company for this work and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code).

Competent Person (Western Gawler Craton Joint Venture)

The information in this report that relates to Exploration Results and the estimate of Mineral Resources for the Western Gawler Craton Joint Venture is based upon, and fairly represents, information and supporting documentation compiled by Mr Richard Maddocks who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Maddocks is an independent consultant geologist with Auranmore Consulting who prepared the information and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves" (the JORC Code).

The Company is not aware of any new information or data that materially affects the information included in the Annual Statement with regard to Mineral Resources and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed from the original announcement on 14 May 2021.

Statement of Risks

Several factors may adversely affect the Company's future exploration, development and financial performance. The following is a non-exhaustive list of general, mining and Company-specific risks.

The Company encourages all prospective shareholders to be familiar with these risk factors. A more detailed discussion of these risk factors can be found in the Company's Prospectus dated 14 May 2021, a copy of which can be found on the ASX platform and the 'Investor' section of the Company's website.

Risks Specific to the Company

There are several risk factors specific to the Company and its specific circumstances, including:

(a) **Limited operational history**

The Company has limited operational history and no assurance can be given that the Company will achieve commercial viability through successful exploration and development of its Projects.

(b) **Contractual risk**

The Company's ability to achieve its stated objectives may be materially affected by the performance of counterparties, which may default on their obligations under the contracts leading to termination of the contracts, the Company approaching a court to seek legal remedy, or the payment of damages.

(c) **New projects and acquisitions**

New business opportunities in the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation may require the Company reallocating funds from existing projects and/or raising additional capital (if available).

(d) **Future capital requirements and debt finance risk**

The Company has no, and is unlikely to have, regular operating revenue unless and until its projects are successfully developed. The Company will likely require further capital to fund ongoing exploration and development, a lack of access to which will adversely affect the Company's business and assets.

(e) **Land and Tenements access risk**

The Company may not successfully obtain the access rights required for exploration activities. Additionally, the Company may not be able to access its projects due to natural disasters, adverse weather conditions, political unrest, hostilities or failure to obtain the relevant approvals and consents.

(f) **Sovereign risk and legal / policy risks**

While Australia is generally regarded as holding low sovereign risk, exploration and mining investment carry risks including economic, social, political, laws affecting foreign ownership, taxation, exchange rates and controls, licensing, environmental, labour relations and other government regulations.

(g) **Reliance on key personnel**

The Company relies on key personnel including its Directors and executive management, the loss of whose services may adversely affect the Company. Difficulties attracting and retaining such staff during period of high demand in the industry may adversely affect the Company.

(h) **Reliance on external contractors**

Third party contractors may not be available to perform services when required or on acceptable terms, and performance is subject to risk of dispute, equipment and staff shortages, and default of contract terms for quality, safety, environmental compliance and timeliness, and contractor insolvency.

(i) **Climate change risks**

Climate change risks include new or expanded regulations related to climate change mitigation, and that climate change may cause certain unpredictable physical and environmental risks including increased severity of weather patterns, extreme weather events and shifting climate patterns.

Mining Industry Risks

There are several factors specific to any entity operating in mineral exploration or mining, including:

(a) Tenement tenure and renewal risks

Tenement interests impose conditions including rent and expenditure commitments, are subject to annual review / periodic renewal, and may be subject to third party contracts and risk. Tenements may be subject to future additional conditions, penalties, objections or forfeiture applications.

(b) Permitting, licence and approval risk

Exploration and mining require exploration licence(s) and mineral lease(s) which are subject to the discretion of Government agencies and officials. There is no assurance that the Company will be able to obtain or renew all requisite permits, licences and approvals, or on a timely or acceptable basis.

(c) Exploration and development risks

Exploration and development undertakings are high-risk and experience, knowledge and careful evaluation may not overcome these risks. There is no assurance that exploration will result in discovery or development of an economically viable deposit of minerals.

(d) Mining risks

Mining processing projects are relatively high-risk commercial operations. Each orebody is unique and its operational performance can never be wholly predicted. Deposit tonnes, grade and mineral content are estimates only, are not precise calculations, and are a very small sample of the entire orebody.

(e) Operational risks

The Company's activities are subject to numerous operational risks, many of which are beyond the Company's control, and may be curtailed, delayed or cancelled as a result of several factors. The Company will endeavour to take appropriate action to mitigate these operational risks.

(f) Metallurgy risks

Mineral recoveries are dependent upon metallurgical processes to liberate economically saleable products and contain significant elements of risk such as identifying and developing a viable process through test work, and changes in mineralogy in the ore deposit which cause inconsistent recoveries.

(g) Mineral Resources and Ore Reserves estimation risks

Estimates of Ore Reserves and Mineral Resources are imprecise and are expressions of judgement based on knowledge, experience and industry practice and may alter significantly when new information or techniques become available.

(h) Payment and expenditure obligations risks

The Company's tenements are subject to payment and other obligations including minimum work commitments, and failure to meet these can result in tenement forfeiture or liability to penalties or fees.

(i) Commodities prices and exchange rate volatility risks

The Company's assets may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated gold prices and the AUD / USD exchange rate. These can fluctuate rapidly and widely and are affected by numerous factors beyond the control of the Company.

(j) Competition risk

The Company's industry is subject to domestic and global competition including major mineral exploration and production companies. The Company will have no influence over the activities of its competitors which may affect the operating and financial performance of the Company's interests.

(k) Native Title risks

The *Native Title Act 1993* (Cth) recognises and protects the rights of Aboriginal and Torres Strait Islander people in land and waters according to their traditional laws and customs. Additional development restrictions and protections apply in South Australia through Part 9B of the Mining Act. There is significant uncertainty associated with Native Title laws and how they may affect operations.

(l) **Aboriginal Heritage Risk**

Aboriginal sites may exist on the land underlying tenements, the presence of which is protected by State and Commonwealth laws which may adversely impact on exploration and mining activities, including that they may preclude or limit mining activities and clearance delays and expenses may occur.

(m) **Third party risks**

The Company may require consents from, or need to pay compensation to, third parties with interests overlaying its tenements including pastoral leases, petroleum tenure and other exploration or mining tenure. Delays or failure to obtain consents or pay compensation may adversely impact the Company.

(n) **Environmental risk**

Breaching South Australian and Australian environmental laws regulations could incur significant liabilities including penalties or require cessation of operations. Environmental approvals may impose certain conditions (and/or costs) which prevent the Company from undertaking its desired activities.

(o) **Heritage and sociological risk**

Some of the Company's tenements may be of significance from a heritage or sociological perspective, including Native Title issues. Some sites of significance may be identified within the Tenements and the Company may be hindered by legal and cultural restrictions on mining those tenements.

(p) **Regulatory risk**

The Company will require regulatory approvals and licences to undertake operations. There is no guarantee that such approvals and licences will be granted, or that various conditions imposed will not adversely impact on the cost or the ability of the Company to mine the tenements.

(q) **Royalties risk**

Each project operated by the Company will be subject to South Australian State royalties and private royalties. If South Australian State royalties rise, the profitability and commercial viability of the Company's projects may be negatively impacted.

(r) **Health and safety risks**

There are many health and safety risks associated with mining including travel, heavy machinery operation and exposure to hazardous substances, which may cause personal injury or loss of life, property damage or environmental contamination, and suspension of operations, penalties or liabilities.

General Risks

There are several general factors which may impact the Company, including:

(a) **Economic risks**

General economic conditions, inflation, exchange and interest rates and commodity prices may affect the Company's exploration, development and production activities, its ability to fund those activities, and Company's financial performance.

(b) **Market conditions risks**

Trade in the Company's securities may be unrelated to the Company's operating and financial performance and beyond the control of the Company, and the market price of the securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities.

(c) **Liquidity and realisation risks**

There is no guarantee that an active market in the Company's securities will develop or continue, and if a market does not develop or is not sustained it may be difficult for investors to sell their securities, as there may be relative few, if any, potential buyers or sellers of the securities at any time.

(d) **Force majeure risks**

The Company's projects may be adversely affected by risks outside the control of the Company including labour unrest, subversive activities or sabotage, natural disasters, disease, extreme weather conditions, industrial disasters, acts of war and terrorism or other catastrophes of various types.

(e) Changes in law, government policy and accounting standards risks

The Company's activities may be impacted by legal, regulatory (including matters at the Government's discretion) and other changes including in respect of Native Title, environmental, labour, taxation and royalties, accounting standards and other matters, which changes are often unpredictable.

(f) Litigation risks

The Company is exposed to possible litigation risks including Native Title claims, tenure disputes, environmental claims, occupational health and safety claims, contractual claims and employee claims. Disputes may result in litigation and impact the Company's operations and financial performance.

(g) Insurance risks

There is no assurance that the Company will be able to obtain insurance cover for all risks faced at reasonable rates, that such insurance will be adequate and available to cover all possible claims, or that it will provide adequate cover for any loss sustained.

(h) Taxation

The acquisition and disposal of the Company's securities will have tax consequences which will differ depending on the individual financial affairs of each investor.

(i) Unforeseen expenditure risk

The Company may be subject to significant unforeseen or unplanned expenses or actions including operating expenses, legal actions or in relation to unforeseen events. There is the risk that additional funds may be required to cover such unplanned expenses and to fund the Company's future objectives.

(j) Infectious diseases (including COVID-19)

Coronavirus disease (COVID-19) has materially affected global economic markets, which face continued uncertainty due to the pandemic which may continue to significantly impact capital markets. There is no certainty that similar infectious disease events will not occur to adverse effect in the future.

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