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ABN: 75 633 936 526

AUSTRALIAN GOLD AND COPPER LIMITED

ANNUAL REPORT

30 JUNE 2022

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CORPORATE DIRECTORY

DIRECTORS

Mr Glen Diemar	Managing Director
Mr David Richardson	Non-Executive Chairman
Dr Adam McKinnon	Non-Executive Director

COMPANY SECRETARY

Ms Andrea Betti

REGISTERED OFFICE & CONTACTS

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DIRECTORS' REPORT

Your Directors present their report, together with the financial statements on the Company, Australian Gold and Copper Limited for the year ended 30 June 2022.

DIRECTORS

The names of Directors in office at any time during or since the end of the period are listed below. Directors have been in office during the whole financial year and up to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION
Mr Glen Diemar	Managing Director
Mr David Richardson	Non-Executive Chairman
Dr Adam McKinnon	Non-Executive Director (appointed 12 August 2022)
Mr Ranko Matic	Non-Executive Director (resigned 12 August 2022)

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the Company consisted of mineral exploration.

DIVIDENDS

No dividends were paid or declared during the financial year. No dividend has been recommended.

REVIEW OF OPERATIONS

Operating Result

The loss from continuing operations for the year after providing for tax amounted to \$579,172 (2021: \$2,014,298).

Exploration

During the year, focus was on progressing multiple, high quality exploration targets through drill testing to advance towards a significant discovery. A total of 9,579.8m was drilled across six separate drilling campaigns and spread all three projects. Each of the six campaigns delivered significant results, edging the Company closer to a major discovery. Also a new exploration licence was granted, called Rast EL9336, which surrounds the Cargelligo Project and delivers AGC as the largest single land holder within the Rast Trough of the Cobar Basin.

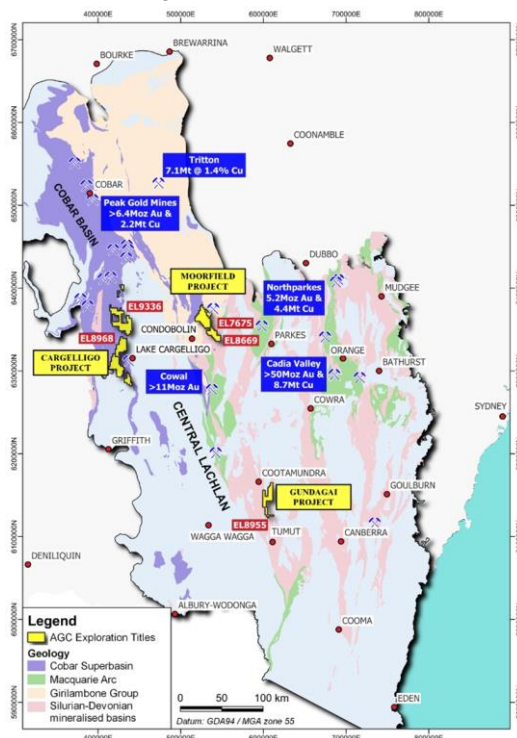


Figure 1. Location of the Cargelligo, Moorefield and Gundagai Projects in relation to major mines and deposits within the Lachlan Fold Belt., see p100 AGC ASX prospectus lodged 18th November 2020.

DIRECTORS' REPORT

Moorefield Project

The Moorefield project comprises two exploration licences covering 481.5km² (EL7675 'Moorefield' and EL8669 'Derriwong'). The project includes the 15km long Boxdale - Carlisle Reefs orogenic gold trend defined by strong surface geochemical anomalism and significant drill results reported during the year.

Other prospects, include the Ghost Hill, Lima-Maloola and Pattons Prospects, all considered prospective for Au-Cu mineralisation.¹

During the reporting period, the Company completed 47 RC holes, totalling 5,000m, into multiple gold targets along the 15km Boxdale - Carlisle Reefs orogenic gold trend.

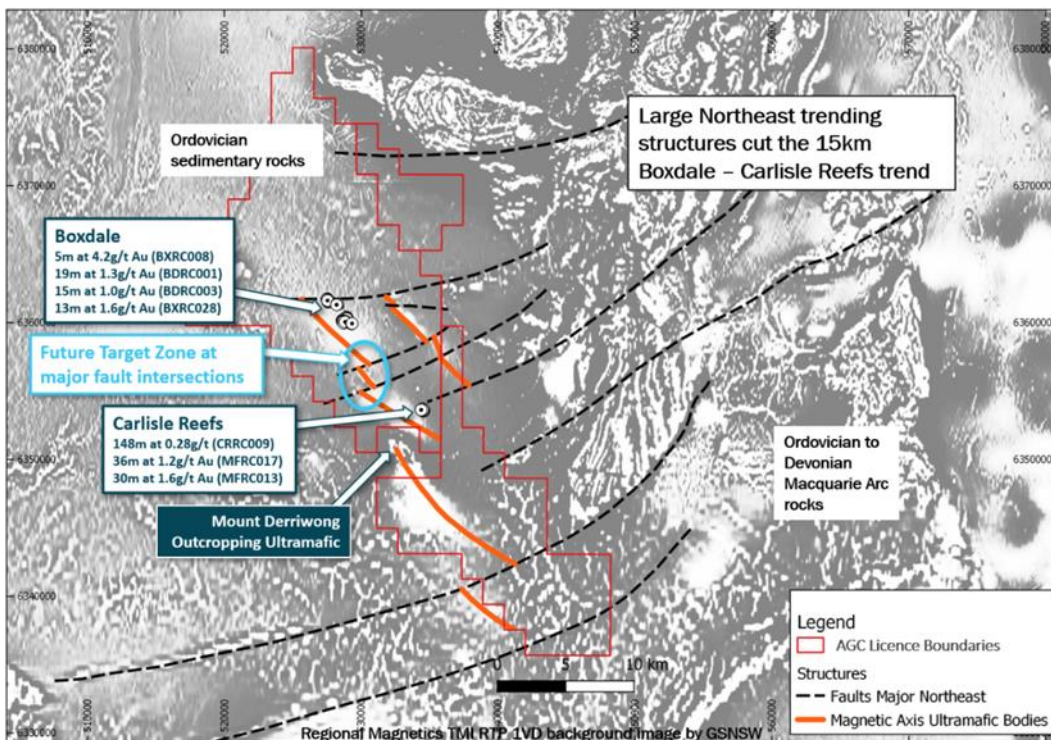


Figure 2: Moorefield licences with NE trending structures crosscutting the 15+km Boxdale- Carlisle trend.

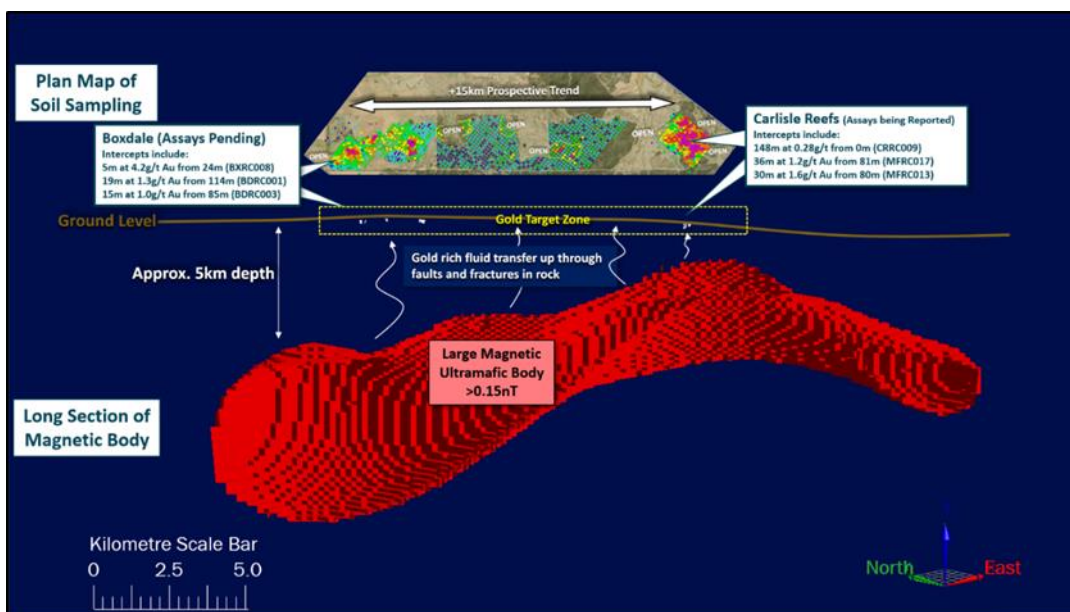


Figure 3: Schematic long section of the Boxdale (NW) - Carlisle Reefs (SE) gold zone showing a 20km long elongate ultramafic magnetic body below the recent soil sampling areas where drilling has returned shallow gold (ASX AGC 27 April 2022).

¹ AGC ASX Announcement 18 November 2020 | Prospectus

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DIRECTORS' REPORT

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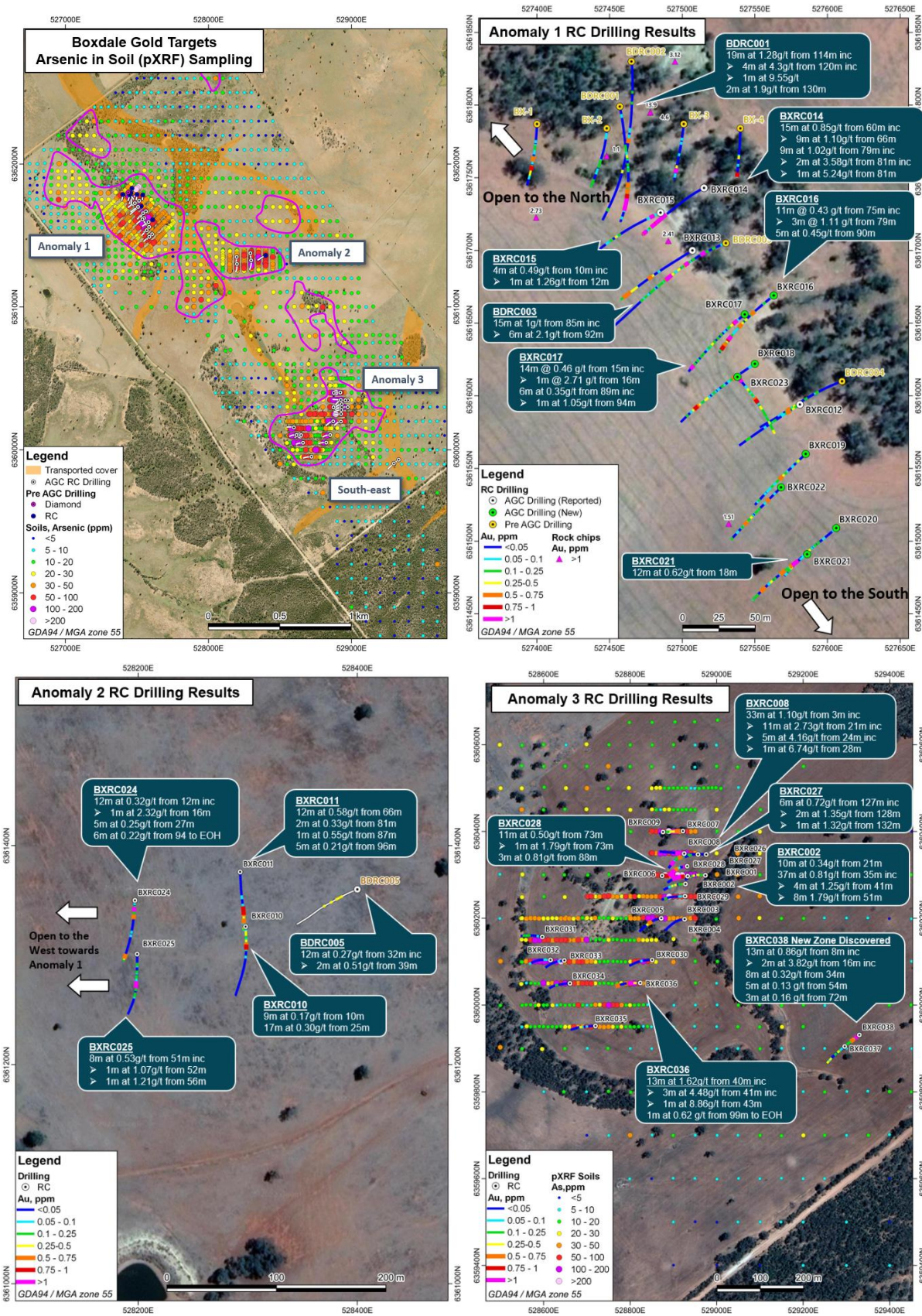


Figure 4: Plans showing the location of recent RC drilling at Boxdale.

DIRECTORS' REPORT

Cargelligo EL8968 and Rast EL9336 Projects – Southern Cobar Basin

The Southern Cobar basin project consists of two exploration licences EL8968 'Cargelligo' and EL9336 'Rast', totalling 1,075km² and is centred 15km west of the town of Lake Cargelligo in NSW. The Project comprises multiple Cobar-style gold-polymetallic targets (Au-Ag-Cu-Zn-Pb). During the year, the Company has been awarded \$200,000 drill funding towards the Achilles target under Round 4 of the New Frontiers Cooperative Drilling grants program by Mining, Exploration and Geoscience within the Geological Survey of NSW.

During the reporting period, the Company completed 15 RC holes, totalling 3,643.8m, drilled into multiple targets. The total metres drilled since IPO is 5960.8m in 28 holes. Achilles is our most advanced target and has seen considerable progress in the reporting period.

The new exploration licences EL9336 'Rast', adds significant value to the Company's portfolio due to AGC now boasting 120km of almost continuous strike length within the southern Cobar basin. The licence straddles the important Woorara and Kilparney Fault systems, which are considered important for focusing mineralisation.

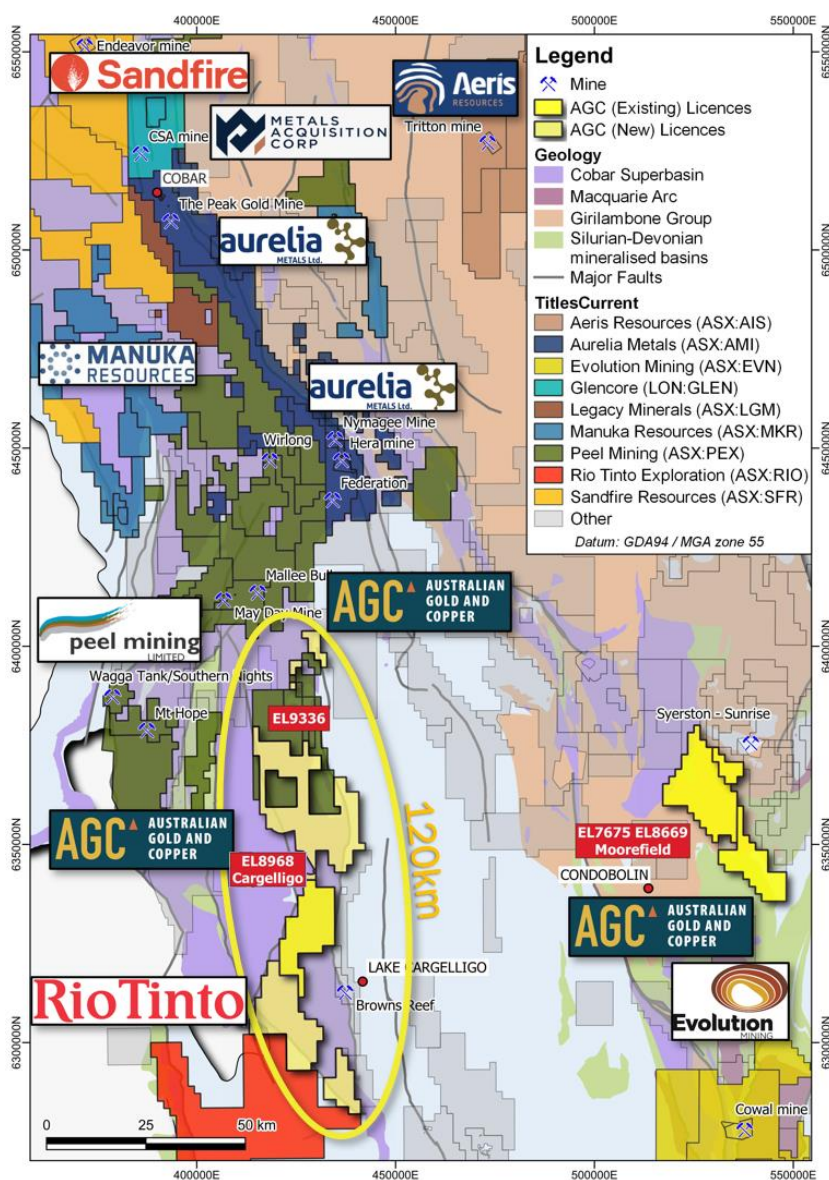


Figure 5: AGC's southern Cobar Basin exploration licences relative to other explorers and miners.

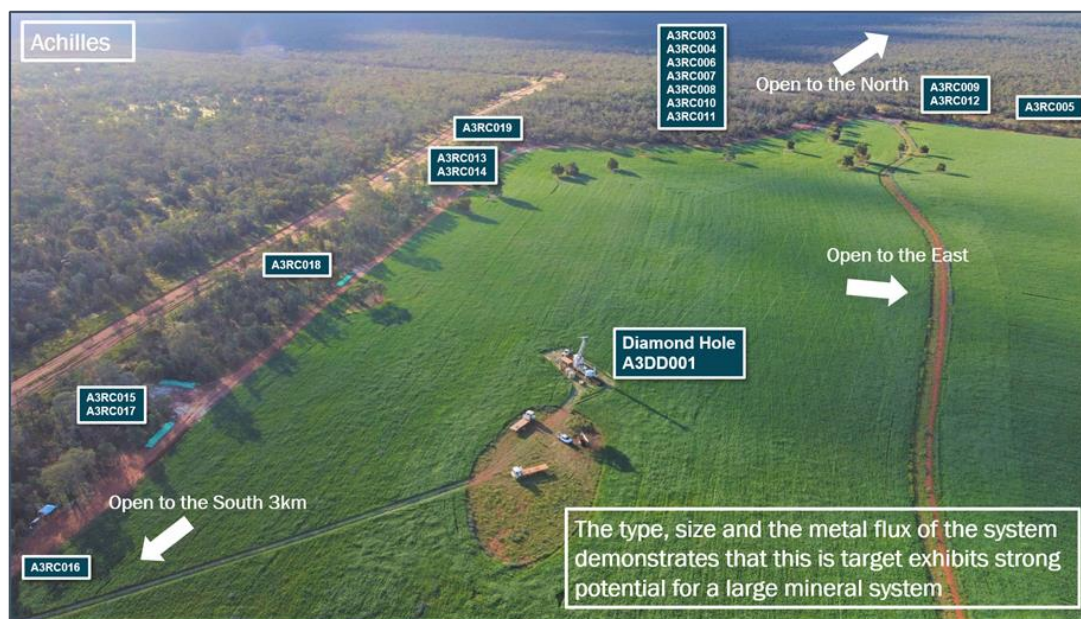


Figure 6: Achilles drone photo schematic map showing approximate drill collar locations.

Intersecting banded base-metal sulphides reinforce the prospectivity of Achilles and more importantly that the 8km long Achilles shear zone has the potential to host significant mineralisation.

Significant intercepts include:

¹Hole A3RC004

- 5m at 4.9% Pb + Zn, 0.3% Cu and 5g/t Ag from 89m
 - Including 1m at 10.7% Pb + Zn, 1.4% Cu and 12g/t Ag from 89m
- Within 46m at 1.0% Pb + Z, 0.1% Cu and 2g/t Ag from 73m

¹Hole A3RC005

- 5m at 1.0% Pb + Zn and 4g/t Ag from 112m
- Within 32m at 0.3% Pb + Zn and 5g/t Ag from 87m

²Hole A3RC014

- 85m at 0.13% Cu from 165m, including:
 - 1m at 0.59% Cu from 167m
 - 25m at 0.20% Cu from 206m
 - 1m at 0.53% Cu from 215m
 - 5m at 0.3% Cu from 241m

Significant advances in our understanding have been made at Achilles and future programs are designed to explore east of previous drilling in the cropping paddock once access can be made after cropping and the wet ground conditions improve.

Gundagai Project

The Gundagai project consists of an exploration licence covering 265km² (EL8955 'Gundagai') and comprises multiple drill ready prospects considered prospective for McPhillamys-style gold (e.g. Grandview), epithermal gold-copper (e.g. Rosehill) and large-tonnage zinc-lead-silver prospects (e.g. Bongongalong).

Gold prospects show similarities to the Late Silurian hosted McPhillamys 2.3Moz Gold Deposit (ASX:RRL). The Grandview Gold Prospect is characterised by a zone of sheared quartz-sericite-carbonate-pyrite altered volcanics returning up to 35g/t Au in composite rockchips and represents a near term high-grade gold discovery opportunity.

At the end of the period, six RC drill holes for 936m were successfully completed targeting the northern gold-in-soil zone before heavy rain cut the program short. The six holes are considered effective as a first pass test given the observed geology, alteration and sulphide development intersected in each hole³. At the time of writing, assays are pending.

¹ AGC ASX Announcement 3 May 2021 | Base-Metal Sulphides overlying EM Conductor at Achilles

² AGC ASX Announcement 15 September 2021 | Exploration Update

³ AGC ASX Announcement 22 August 2022 | Grandview Drilling Intersects Extensive Stockwork Veining



Figure 7: Quartz pyrite stockwork veined rock chip from drill hole GVRC006 at 96m

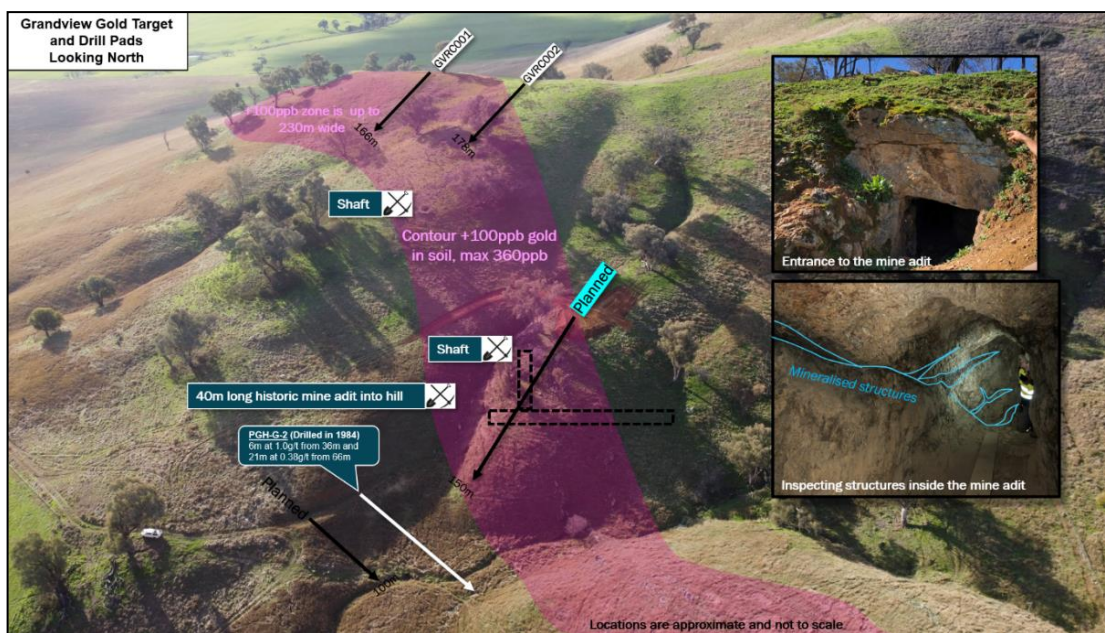


Figure 8: Schematic, looking north on a recent drone photo showing the drill pad and hole locations, gold in soil target and locations of historic mine infrastructure.

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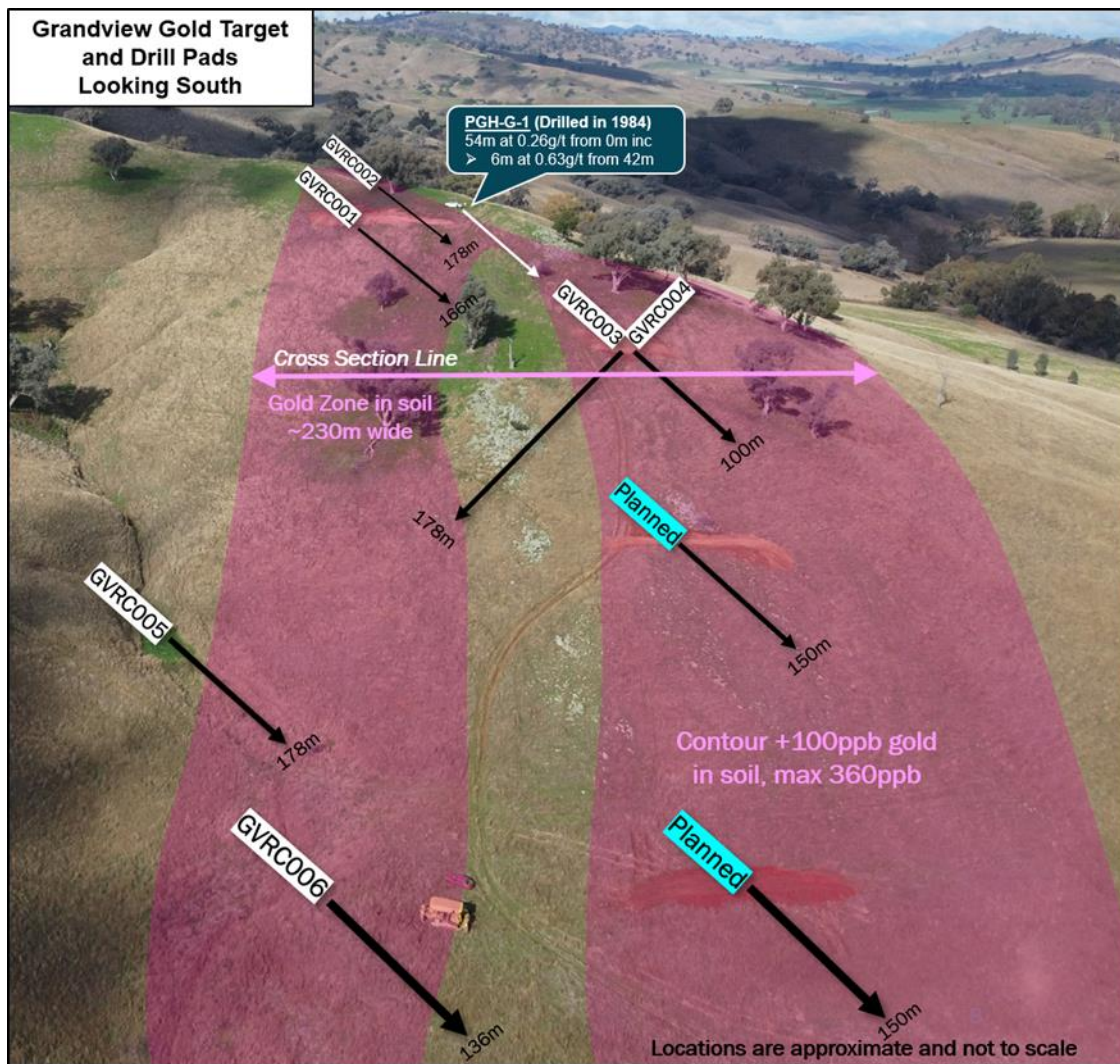


Figure 9: Schematic looking south, drawn onto a recent drone photo, showing the northern hill drill pad locations targeting the gold-in-soil targets (AGC ASX prospectus Nov 2020). D6 bulldozer in foreground for scale.

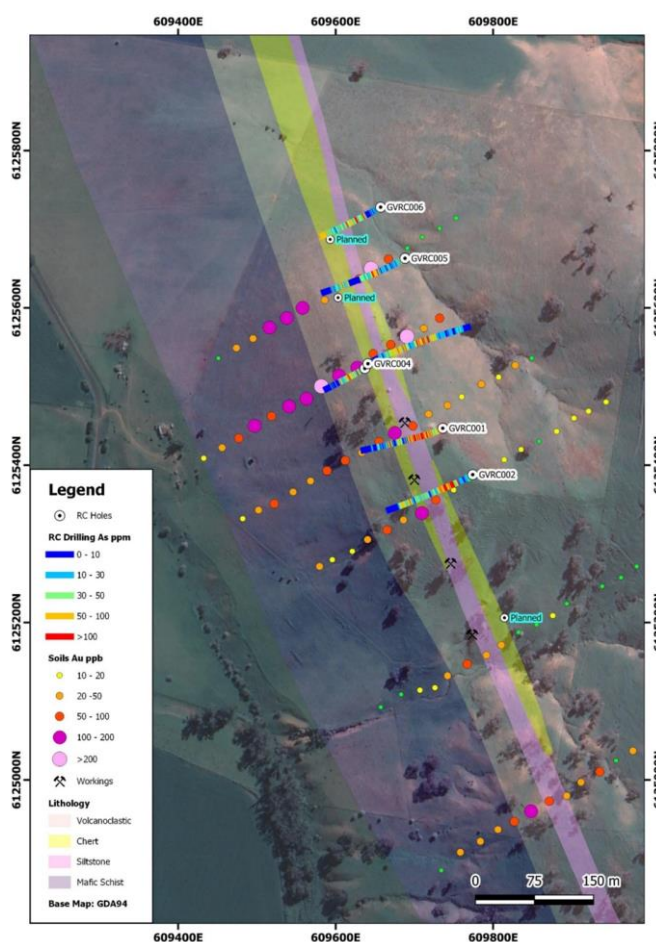


Figure 10: Map showing location of drill holes and traces coloured by downhole arsenic relative to geology.

Competent Persons Statement

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Glen Diemar who is a member of the Australian Institute of Geoscientists. Mr Diemar is a full-time employee of Australian Gold and Copper Limited, and is a shareholder, however Mr Diemar believes this shareholding does not create a conflict of interest, and Mr Diemar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Diemar consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Previously Reported Information

The information in this report that references previously reported exploration results is extracted from the Company's ASX IPO Prospectus released on the date noted in the body of the text where that reference appears. The ASX IPO Prospectus is available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward-Looking Statements

This announcement contains "forward-looking statements." All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and based upon information currently available to the company and believed to have a reasonable basis. Although the company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct as actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold, and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. The forward-looking statements contain in this press release are made as of the date of this press release and except as may otherwise be required pursuant to applicable laws, the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement".

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial year.

EVENTS AFTER THE REPORTING DATE

On 12 August 2022, the Company announced the appointment of Dr. Adam McKinnon as a Non-Executive Director effective 12 August 2022. In addition, Mr. Ranko Matic provided his resignation as Non-Executive Director effective 12 August 2022.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATION

The Company is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any environmental law that is not being complied with.

INFORMATION ON DIRECTORS

Mr Glen Diemar Managing Director

Mr Glen Diemar is an Exploration Geologist with experience through Australia, Indonesia and Central Asia. Mr Diemar has worked in all areas of geology including exploration, production and development studies. Mr Diemar's previous roles include BHP Billiton and most recently the CEO of New South Resources PL. Mr Diemar holds a Masters of Economic Geology and is a member of the AIG.

Mr David Richardson Non-Executive Chairman

Mr David Richardson has extensive international corporate experience including 15 years in Japan in Asia Pacific regional director positions with organisations such as Pacific Dunlop Ltd and Amcor Ltd. Expertise includes venture capital and finance.

Mr Richardson founded Magmatic Resources Limited (ASX:MAG) in 2014, listing it on the ASX in 2017 and is currently the Executive Chairman of Magmatic Resources Limited.

Dr Adam McKinnon Non-Executive Director (appointed 12 August 2022)

Dr McKinnon is a mining and geoscience professional with 16 years industry and academic experience and is currently the Managing Director of Magmatic Resources Limited. Before joining Magmatic he was General Manager – Exploration and Business Development at Aurelia Metals Limited, where he was involved in a number of significant discoveries including the high grade Federation deposit south of Nymagee, NSW. Dr McKinnon also led several highly successful exploration programs whilst with KBL Mining Limited, including the discovery of the Pearse gold-silver deposit near the Mineral Hill Mine. Dr McKinnon holds a PhD in mineralogy and geochemistry from Western Sydney University, is a Chartered Chemist with the Royal Australian Chemical Institute (RACI) and a Member of the Australian Institute of Mining and Metallurgy (AusIMM).

Ms Andrea Betti Company Secretary

Ms. Betti is an accounting and corporate governance professional with over 20 years experience in accounting, corporate governance, finance and corporate banking. She has acted as Chief Financial Officer and Company Secretary for companies in the private and publicly listed sectors, as well as senior executive roles in the banking and finance industry. Ms. Betti is a member of the Institute of Chartered Accountants in Australia and New Zealand and an associate member of the Governance Institute of Australia. Ms Betti is currently a Director of a corporate advisory company based in Perth that provides corporate and other advisory services to public listed companies. She has a Bachelor of Commerce, Graduate Diploma in Corporate Governance, Graduate Diploma in Applied Finance and Investment and a Masters of Business Administration.

DIRECTORS' REPORT

Mr Ranko Matic Non-Executive Director (resigned 12 August 2022)

Mr. Ranko Matic is a Chartered Accountant with over 30 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Ranko is a director of a chartered accounting firm and a corporate advisory company based in Perth, and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Ranko has been involved in an advisory capacity to over 40 initial public offerings and other re-capitalisations and re-listings of ASX companies in the last 20 years.

Mr Matic is currently a Non-Executive Director of ASX listed company East Energy Resources Limited and Panther Metals Limited and NASQAD listed company Locafy Limited. Mr. Matic is also Executive Chairman of ASX listed company Cavalier Resources Limited. Mr. Matic acted as Chief Financial Officer and Company Secretary for companies in the private and public listed sector and continues to hold various roles in this capacity with publicly listed companies.

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

As at the date of this report, the interests of the Directors in the shares and options of Australian Gold and Copper Limited were:

	Ordinary Shares	Options over Ordinary Shares
Glen Diemar	144,889	3,000,000
David Richardson	5,894,801	5,000,000
Adam McKinnon	23,809	2,000,000

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of the remuneration for each key management personnel of Australian Gold and Copper Limited for the year ended 30 June 2022.

The remuneration report is set out under the following headings:

- A Principles used to determine the nature and amount of remuneration
- B Service agreements
- C Details of remuneration
- D Share-based compensation
- E Related party disclosures

The information provided under the headings A-E includes remuneration disclosures that are required under Accounting Standards AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

The remuneration arrangements detailed in this report relate to the following Directors and key management personnel as follows:

Mr Glen Diemar	Managing Director
Mr David Richardson	Non-Executive Chairman
Dr Adam McKinnon	Non-Executive Director (appointed 12 August 2022)
Mr Ranko Matic	Non-Executive Director (resigned 12 August 2022)

A. Principles used to determine the nature and amount of remuneration

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices. The Board recognises that the Company operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

DIRECTORS' REPORT

A. Principles used to determine the nature and amount of remuneration (continued)

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board will continue to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the *Corporations Act 2001* and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value of the Company of the respective contributions by each Non-Executive Director. The current amount has been set an amount not to exceed \$350,000 per annum. The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of Directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits. There was no use of external consultants for remuneration advice for the period ended 30 June 2022.

Performance Based Remuneration

The Company has adopted an employee incentive option plan ('ESOP or 'Option Plan') to provide ongoing incentives to Directors, Executives and Employees of the Company. The objective of the ESOP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the ESOP are aligned with the successful growth of the Company's business activities.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the ESOP is an appropriate method to:

- (a) Reward Directors and employees for their past performance;
- (b) Provide long term incentives for participation in the Company's future growth;
- (c) Motivate Directors and generate loyalty from senior employees; and
- (d) Assist to retain the services of valuable Directors and employees.

Company Performance, Shareholder Wealth and Directors and Executives Remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and Directors and executives' performance. Currently, Directors and executives are encouraged to hold shares in the Company to ensure the alignment of personal and shareholder interests. The Company provides performance based remuneration via their employee incentive option plan.

B. Service Agreements

Employment Contracts of Key Management Personnel

Each member of the Company's key management personnel are employed on open-ended employment contracts between the individual person and the Company.

Non-Executive Directors have entered into a service agreement with the Company in the form of a letter of appointment.

The employment conditions of the Managing Director Mr. Glen Diemar, is formalised in an executive service agreement with no fixed term and continues until a party terminates it by giving notice.

The below is at the date of this financial report:

Key Management Personnel	Appointment	Terms of Agreement	Base Salary (incl. super \$p.a.)	Termination Benefit
Glen Diemar	Managing Director	No fixed term	264,000	3 months
David Richardson	Non-Executive Chairman	No fixed term	120,548	Nil
Ranko Matic*	Non-Executive Director	No fixed term	60,000	Nil
Adam McKinnon	Non-Executive Director	No fixed term	40,000	Nil

*Mr. Matic resigned as Non-Executive Director effective from 12 August 2022.

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DIRECTORS' REPORT

C. Details of remuneration

Amounts of remuneration

The remuneration for each key management personnel of the Company during the period was as follows:

2022

Key Management Personnel	Short-term Benefits				Post-employment Benefits	Share based Payments		Total	Performance Related %	Remuneration Consisting of Options %
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Performance Rights	Options			
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Glen Diemar	240,000	-	-	-	24,000	-	-	264,000	-	-
David Richardson	109,589	-	-	-	10,959	-	-	120,548	-	-
Ranko Matic (i)	60,000	-	-	-	-	-	-	60,000	-	-
	409,589	-	-	-	34,959	-	-	444,548	-	-

(i) Ranko Matic is a director and shareholder of Consilium Corporate Pty Ltd which provides directorship, corporate secretarial and accounting services to the Company.

2021

Key Management Personnel	Short-term Benefits				Post-employment Benefits	Share based Payments		Total	Performance Related %	Remuneration Consisting of Options %
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Performance Rights	Options			
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Glen Diemar (i)	148,667	-	-	-	14,123	-	318,000	480,790	-	66
David Richardson	67,884	-	-	-	6,449	-	530,000	604,333	-	88
Ranko Matic (v)	37,167	-	-	-	-	-	212,000	249,167	-	85
David Berrie (ii)	-	-	-	-	-	-	-	-	-	-
Malcolm Norris (iii)	-	-	-	-	-	-	-	-	-	-
Andrea Betti (iv)	-	-	-	-	-	-	-	-	-	-
	253,718	-	-	-	20,572	-	1,060,000	1,334,290	-	79

(i) Appointed as Managing Director effective from 4 November 2020.

(ii) Resigned as Non-Executive Director effective from 4 November 2020.

(iii) Resigned as Non-Executive Director effective from 30 October 2020.

(iv) Appointed 26 October 2020 and resigned 4 November 2020 as a Non-Executive Director.

(v) Appointed as Non-Executive Director effective from 4 November 2020. Ranko Matic is a director and shareholder of Consilium Corporate Pty Ltd which provides directorship, corporate secretarial and accounting services to the Company.

D. Share-based compensation

Options

There were no options issued to key management personnel during the year ended 30 June 2022 (2021: 10,000,000 unlisted options.)

Shares

There were no shares issued to the key management personnel during the year ended 30 June 2022 (2021: Nil).

Performance rights

There were no performance rights issued to key management personnel during the year ended 30 June 2022 (2021: Nil).

DIRECTORS' REPORT

D. Share-based compensation (continued)

Option holding

The number of unlisted options in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

Name	Balance at start of the year	Number granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year
Glen Diemar	3,000,000	-	-	-	3,000,000
David Richardson	5,000,000	-	-	-	5,000,000
Ranko Matic	2,000,000	-	-	-	2,000,000
	10,000,000	-	-	-	10,000,000

Shareholdings

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

Name	Balance at start of the year	Number granted during the year	Purchased on-market or as part of capital raising	Other changes during the year	Balance at the end of the year
Glen Diemar	144,889	-	-	-	144,889
David Richardson	5,894,801	-	-	-	5,894,801
Ranko Matic	250,000	-	-	-	250,000
	6,289,690	-	-	-	6,289,690

E. Related party disclosures

(i) Other transactions with key management personnel and their related parties

Consilium Corporate Pty Ltd, a company of which Mr Matic is a shareholder and director, is also engaged to perform Company Secretarial and Accounting duties at a rate of \$11,666 per month (excluding GST). During the year ended June 2022, \$140,164 (excluding GST) was paid or payable under this agreement.

Magmatic Resources Limited, a company of which Mr Richardson is a shareholder and director, is also engaged to provide Management and Administration Services to the Company. During the year ended 30 June 2022, \$62,021 (excluding GST) was paid or payable under this agreement.

(ii) Payables owing to related parties

	2022	2021
	\$	\$
Consilium Corporate (i)	-	-
Magmatic Resources Ltd (ii)	12,504	4,234
	<u>12,504</u>	<u>4,234</u>

(i) Ranko Matic is a director and shareholder of Consilium Corporate Pty Ltd which provides directorship, corporate secretarial and accounting services to the company.

(ii) Magmatic Resources Limited a company with which Mr Richardson is a shareholder and director is also engaged to provide Management and Administration Services to the Company.

There are no other transactions with related parties during the year ended 30 June 2022.

ADDITIONAL INFORMATION

The loss of the Company for the year ended 30 June 2022 is summarised below:

	2022	2021
	\$	\$
Other income	46,716	3,419
EBITDA	(555,032)	(2,008,811)
EBIT	(579,172)	(2,014,298)
Loss after income tax	(579,172)	(2,014,298)

DIRECTORS' REPORT

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021
Share price at financial year end (dollars per share)	0.07	0.14
Total dividends declared (cents per share)	-	-
Basic loss per share (cents per share)	(0.58)	(4.08)

END OF AUDITED REMUNERATION REPORT.

MEETING OF DIRECTORS

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

Name	Number eligible to attend	Number attended
Glen Diemar	5	5
David Richardson	5	5
Ranko Matic	5	5

There were 5 Directors meetings held during the financial year, however many board matters were dealt with via circular resolutions. The Company does not have a formally constituted audit committee or remuneration committee as the board considers that the Company's size and type of operation do not warrant such committees.

SHARES UNDER OPTION

The number of options over ordinary shares in the Company as at the date of this report are set out below. Options granted carry no dividend or voting rights.

Issue date	Expiry date	Exercise price	Number of Options
		\$	
5/11/2020	31/12/2025	0.30	12,500,000
24/12/2020	31/12/2023	0.30	2,500,000
1/04/2021	31/01/2024	0.30	150,000
1/04/2021	31/01/2024	0.50	150,000
12/08/2022	12/08/2025	0.114	2,000,000
			<u>17,300,000</u>

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Australian Gold and Copper Limited that were issued during the financial year and up to the date of this report on the exercise of options granted.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and executives of the Company for the 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 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.

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DIRECTORS' REPORT

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.

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

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

AUDITOR

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

NON-AUDIT SERVICES

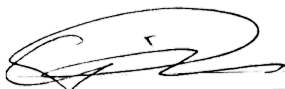
No amounts were paid or payable to the auditor for non-audit services provided during the year ended 30 June 2022.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' Independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Glen Diemar
Managing Director

Date: 29 September 2022
Perth

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RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

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

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2022

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

RSM Australia Partners ABN 36 965 185 036

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
Other income	4	46,715	3,419
Accounting and other professional fees		(141,083)	(48,916)
Regulatory fees		(44,731)	(114,067)
AGM/GM fees		(5,007)	-
Audit fees	21	(27,966)	(22,000)
Depreciation		(24,139)	(5,487)
Directors' fees		(212,781)	(148,365)
Exploration and project assessments		(353)	-
Employee benefit expense		(53,798)	(19,528)
Legal expenses		-	(188,575)
Share based payments	13	(11,186)	(1,329,657)
Other expenses		(104,843)	(141,122)
Loss before income tax		(579,172)	(2,014,298)
Income tax expense	5	-	-
Loss for the year		(579,172)	(2,014,298)
Other comprehensive income		-	-
Total comprehensive loss for the year		(579,172)	(2,014,298)
Loss per share			
Basic loss per share (cents)	18	(0.58)	(4.08)
Diluted loss per share (cents)	18	(0.58)	(4.08)

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**



	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	4,231,650	7,236,269
Trade and other receivables		4,801	768
Other assets	7(a)	48,335	50,278
Total current assets		4,284,786	7,287,315
Non-current assets			
Property, plant and equipment	8	88,550	109,735
Exploration and evaluation	9	13,460,372	11,064,459
Other assets	7(b)	57,500	30,000
Total non-current assets		13,606,422	11,204,194
Total assets		17,891,208	18,491,509
LIABILITIES			
Current liabilities			
Trade and other payables	10	147,557	213,641
Provisions	11	53,297	19,528
Total current liabilities		200,854	233,169
Total liabilities		200,854	233,169
Net assets		17,690,354	18,258,340
EQUITY			
Issued capital	12	18,720,731	18,720,731
Reserves	14	1,570,093	1,558,907
Accumulated losses		(2,600,470)	(2,021,298)
Total equity		17,690,354	18,258,340

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**



	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2021	18,720,731	1,558,907	(2,021,298)	18,258,340
Total loss for the year	-	-	(579,172)	(579,172)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(579,172)	(579,172)
Transactions with owners in their capacity as owners				
Issue of capital	-	-	-	-
Share issue costs	-	-	-	-
Share based payments	-	11,186	-	11,186
Balance at 30 June 2022	18,720,731	1,570,093	(2,600,470)	17,690,354

	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2020	-	-	(7,000)	(7,000)
Total loss for the year	-	-	(2,014,298)	(2,014,298)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(2,014,298)	(2,014,298)
Transactions with owners in their capacity as owners				
Issue of capital	20,000,000	-	-	20,000,000
Share issue costs	(1,279,269)	-	-	(1,279,269)
Share based payments	-	1,558,907	-	1,558,907
Balance at 30 June 2021	18,720,731	1,558,907	(2,021,298)	18,258,340

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**



	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Other income		27,010	-
Interest received		15,673	2,652
Payments to suppliers and employees		(615,779)	(563,180)
Net cash outflow from operating activities	23	<u>(573,096)</u>	<u>(560,528)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(2,955)	(115,222)
Payments for exploration and evaluation		(2,401,568)	(962,836)
Purchase of bonds		(27,000)	(30,000)
Net cash outflow from investing activities		<u>(2,431,523)</u>	<u>(1,108,058)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	10,000,000
Share issue costs paid		-	(1,095,145)
Net cash inflow from financing activities		<u>-</u>	<u>8,904,855</u>
Net (decrease)/increase in cash held		(3,004,619)	7,236,269
Cash at the beginning of the financial year		7,236,269	-
Cash at the end of the financial year	6	<u>4,231,650</u>	<u>7,236,269</u>

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022



The Company's financial statements and notes represent those of Australian Gold and Copper Limited.

The financial statements were authorised for issue on 29 September 2022 by the Directors of the Company.

1. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with *Corporations Act 2001*, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. Except for cash flow information, these financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Comparatives

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

b) Historical 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.

c) 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.

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

e) Income tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

e) Income tax (continued)

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

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

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

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

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

f) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowances for expected credit losses. Trade and other receivables are generally due for settlement within 120 days.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

g) Property, plant and equipment

Plant and equipment is 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:

Plant and equipment	3-7 years
---------------------	-----------

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. 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.

h) 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.

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h) Exploration and evaluation (continued)

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.

i) 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.

j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain 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 – 60 days of recognition.

k) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company 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.

l) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short periods to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

n) Other income

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 interest to the net carrying amount of the financial asset.

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

o) 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.

p) 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.

Equity-settled compensation

The Company operates equity-settled share based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is shown in the option reserve.

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using an appropriate valuation model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

q) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

r) Earnings/loss per share

(i) Basic earnings/loss per share

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

(ii) Diluted earnings/loss per share

Diluted earnings/loss per share adjusts the figures used in the determination of basic earnings/loss 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.

s) New or amended Accounting Standards and Interpretations adopted

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

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

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2. Critical accounting judgments, estimates and assumptions

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Exploration and evaluation expenditure

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

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**



3. Operating segments

Identification of reportable operating segments

The Company is organised into one operating segment, being mining and exploration operations. 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 EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

	2022	2021
	\$	\$
4. Other income		
Grant income	27,010	-
Interest income	19,705	3,419
	46,715	3,419
	2022	2021
	\$	\$
5. Income tax expense		
Loss before income tax expense	(579,172)	(2,014,298)
Tax at the Australian tax rate of 26% (2021: 27.5%)	(150,585)	(523,717)
Amounts not deductible/(taxable) in calculating taxable income	2,448	399,947
Tax effect of exploration expenditure	(622,937)	(276,759)
Tax effect of temporary differences	(78,653)	(69,012)
Tax effect of deferred tax asset not brought to account	849,727	469,541
Income tax expense	-	-
Potential tax benefit relating to unused tax losses for which no deferred tax asset has been recognised	1,611,437	1,805,930
	2022	2021
	\$	\$
6. Cash and cash equivalents		
Cash at bank	4,231,650	7,236,269
	2022	2021
	\$	\$
7. Other assets		
(a) Current		
Prepayments	48,335	50,278
(b) Non-current		
Security bonds	57,500	30,000
Total other assets	105,835	80,278

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**



	2022 \$	2021 \$
8. Property, plant and equipment		
Computer equipment – at cost	12,772	12,772
Accumulated depreciation	(5,776)	(1,670)
	<u>6,996</u>	<u>11,102</u>
Motor vehicles – at cost	105,405	102,450
Accumulated depreciation	(23,851)	(3,817)
	<u>81,554</u>	<u>98,633</u>
Total property, plant and equipment	<u>88,550</u>	<u>109,735</u>

Reconciliations

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

	Computer equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2021	11,102	98,633	109,735
Additions	-	2,955	2,955
Depreciation expense	(4,106)	(20,034)	(24,140)
Balance at 30 June 2022	<u>6,996</u>	<u>81,554</u>	<u>88,550</u>

	2022 \$	2021 \$
9. Exploration and evaluation		
Opening balance	11,064,459	-
Acquisitions during the period (i)	-	10,000,000
Expenditure incurred during the year	2,395,913	1,064,459
Closing balance	<u>13,460,372</u>	<u>11,064,459</u>

- (i) The Company currently holds four projects (Moorefield, Gundagai and Cargelligo) located in the Central Lachlan, New South Wales. During the prior period, the Company entered into agreements to acquire the Projects from Modelling Resources Pty Ltd (MR) (a wholly owned subsidiary Magmatic Resources Ltd (ASX:MAG)), the original parent company of Australian Gold and Copper, and New South Resources Pty Ltd (NSR), an unrelated entity. As consideration for these projects, Magmatic Resources Ltd received 29,999,999 fully paid ordinary shares in the Company at a deemed issue price of \$0.20 and NSR received 20,000,000 fully paid ordinary shares in the Company at a deemed issue price of \$0.20.

	2022 \$	2021 \$
10. Trade and other payables		
Trade creditors	128,441	178,503
Accrued expenses	19,116	35,138
	<u>147,557</u>	<u>213,641</u>

	2022 \$	2021 \$
11. Provisions		
Provision for annual leave	<u>53,297</u>	<u>19,528</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**



	2022 No. of shares	2021 No. of shares	2022 \$	2021 \$
12. Issued capital				
Ordinary shares – fully paid	100,000,000	100,000,000	18,720,731	18,720,731

(a) Ordinary shares

Date	No. of shares	Issue price \$	\$
At the beginning of the year	100,000,000		18,720,731
Capital raising costs	-		-
At the end of the year	<u>100,000,000</u>		<u>18,720,731</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the 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 member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Capital management

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

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements with a view of initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2022 is as follows:

	2022 \$	2021 \$
Cash and cash equivalents	4,231,650	7,236,269
Trade and other receivables	-	-
Other current assets	53,136	51,045
Trade and other payables	(147,557)	(213,641)
Provisions	(53,297)	(19,528)
Working capital position	<u>4,083,932</u>	<u>7,054,145</u>

13. Share based payment transactions

	2022 \$	2021 \$
Options – recognised in equity (share issue costs)	-	229,250
Options – recognised as a share based payment expense	11,186	1,329,657
	<u>11,186</u>	<u>1,558,907</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**



13. Share based payment transactions (continued)

Set out below is a summary of the movements in options on issue during the year:

Grant date	Expiry date	Exercise price \$	Balance at the start of the year	Granted	Exercised	Expired/forfeited	Balance at the end of the year
5/11/2020	31/12/2025	0.30	12,500,000	-	-	-	12,500,000
24/12/2020	24/12/2023	0.30	2,500,000	-	-	-	2,500,000
29/1/2021	31/1/2024	0.30	150,000	-	-	-	150,000
29/1/2021	31/1/2024	0.50	150,000	-	-	-	150,000
			15,300,000	-	-	-	15,300,000
Weighted average exercise price			\$0.30	-	-	-	\$0.30

There were no options issued during the financial year ended 30 June 2022.

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

Grant date	Expiry date	Exercise price \$	2022 #	2021 #
5 November 2020	31 December 2025	0.30	12,500,000	12,500,000
24 December 2020	24 December 2023	0.30	2,500,000	2,500,000
29 January 2021	31 January 2024	0.30	150,000	150,000
29 January 2021	31 January 2024	0.50	150,000	150,000
			15,300,000	15,300,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.14 years (2021: 4.14 years).

14. Reserves

	2022 \$	2021 \$
Reserves		
Share based payment reserve	1,570,093	1,558,907
Movements		
Balance at beginning of year	1,558,907	-
Share based payments recognised as an expense in the statement of profit or loss and other comprehensive income	11,186	1,329,657
Share based payments recognised as share issue costs in equity	-	229,250
Balance at end of year	1,570,093	1,558,907

15. Key management personnel disclosures

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

	2022 \$	2021 \$
Short-term employee benefits	409,589	253,718
Post-employment benefits	34,959	20,572
Share-based payments	-	1,060,000
	444,548	1,334,290

16. Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out Note 15 and in the Remuneration Report in the Directors' Report.

(b) Other transactions and balances with related parties

The Company has engaged Consilium Corporate Pty Ltd for the provision of CFO and Corporate Secretarial services, a company of which Mr Matic is a Director. During the year, Consilium Corporate Pty Ltd invoiced the Company \$140,164 (excluding GST) for CFO and Corporate Secretarial Fees. As at 30 June 2022, the amount owing to Consilium Corporate was \$Nil.

The Company has engaged Magmatic Resources Limited for the provision of Management and Administration services, a company of which Mr Richardson is a shareholder and director. During the year, Magmatic Resources Limited invoiced the Company \$62,021 (excluding GST). As at 30 June 2022, the amount owing to Magmatic Resources Limited was \$12,504.

17. Commitments for expenditure

Exploration and evaluation

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial years. Under certain circumstances, these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however they are expected to be fulfilled in the normal course of operations.

	2022	2021
	\$	\$
The Company has tenement rental and expenditure commitments payable of:		
- Not later than 12 months	-	480,000
- Between 12 months and 5 years	-	890,000
- More than 5 years	-	100,000
	-	1,470,000

18. Earnings per share

	2022	2021
	\$	\$
Loss after income tax	(579,172)	(2,014,298)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	100,000,000	49,369,864
Basic and diluted loss per share (cents)	(0.58)	(4.08)

19. Events after the reporting date

On 12 August 2022, the Company announced the appointment of Dr. Adam McKinnon as a Non-Executive Director effective 12 August 2022. In addition, Mr. Ranko Matic provided his resignation as Non-Executive Director effective 12 August 2022.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company the results of those operations, or the state of affairs of the Company in future financial years.

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20. Contingent assets and liabilities

Contingent assets

The Company had no contingent assets as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The Company had no contingent liabilities as 30 June 2022 and 30 June 2021.

21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	2022	2021
	\$	\$
Audit and review of the financial statements	27,966	22,000
	27,966	22,000

22. Dividends

The Company has not declared nor paid a dividend for the period.

	2022	2021
	\$	\$
23. Cash flow information		
(a) Reconciliation of cash flow from operations with operating loss		
Operating loss after income tax	(579,172)	(2,014,298)
- Share based payments	11,186	1,329,657
- Depreciation	24,139	5,487
Changes in assets and liabilities:		
- other assets	(965)	(27,541)
- trade and other payables	(62,054)	146,167
- provisions	33,770	-
Net cash flow used in operating activities	(573,096)	(560,528)

24. Financial management

The Company's principal financial instruments comprise cash and short-term deposits. The Company has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations.

The Company's activities expose it to a variety of financial risks, including, credit risk, liquidity risk, foreign exchange risk and cash flow interest rate risk. The Company is not exposed to price risk.

Risk management is carried out by the Board of Directors, who evaluate and agree upon risk management and objectives.

(a) Market risk

(i) Interest rate risk

The Company is not materially exposed to interest rate risk.

(b) Credit risk

The Company does not have significant concentrations of credit risk. Credit risk is managed by the Board of Directors and arises from cash and cash equivalents as well as credit exposure including outstanding receivables.

All cash balances are held in Australia.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets disclosed within the financial report.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in the market interest rates relate primarily to cash assets.

The Directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the Company had a reporting date were other payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise of trade and other payables. As at 30 June 2022, all financial liabilities are contractually maturing within 60 days.

(d) Foreign exchange risk

The Company is not exposed to any foreign exchange risk.

(e) Fair value estimation

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

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

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DIRECTORS' DECLARATION

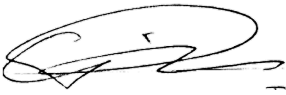
In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Glen Diemar
Managing Director

Date: 29 September 2022
Perth

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN GOLD AND COPPER LIMITED**

Opinion

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

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

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

Basis for Opinion

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

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

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

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Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Refer to Note 9 in the financial statements	
<p>The Company has capitalised exploration and evaluation expenditure with a carrying value of \$13,460,372 as at 30 June 2022.</p> <p>We considered this to be a key audit matter due to the significant management judgment involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> • Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing whether the Company's right to tenure of each area of interest is current; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; • Assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date; • Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; and • Enquiring with management and reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future.

Other Information

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

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

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

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

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Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

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

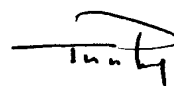
In our opinion, the Remuneration Report of Australian Gold and Copper Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

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.

A stylized, handwritten-style logo for RSM.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2022

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ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 12 September 2022.

(a) Corporate governance statement

The Company's 2022 Corporate Governance Statement has been released as a separate document and is located on our website at <https://www.austgoldcopper.com.au/corporate/>.

(b) Distribution of equity securities

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

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	220	99,052	0.10
1,001 – 5,000	458	1,261,017	1.26
5,001 – 10,000	266	2,048,496	2.05
10,001 – 100,000	470	17,647,898	17.65
100,001 – 9,999,999,999	131	78,943,537	78.94
Total	1,545	100,000,000	100.00

Unmarketable Parcels

Minimum \$500.00 parcel at \$0.069 per unit is 806 holders with 2,127,856 shares.

(c) Twenty largest shareholders

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

Rank	Name	Units	% of Units
1	NEW SOUTH RESOURCES PTY LTD	20,000,000	20.00
2	MAGMATIC RESOURCES LIMITED	5,637,594	5.64
3	BILINGUAL SOFTWARE PTY LTD <LET'S GO INVESTMENT A/C>	5,092,892	5.09
4	GOLD FIELDS AUSTRALIA PTY LTD	2,666,667	2.67
5	ASHFORD PROPERTIES PTY LTD <SOUNDTRACK A/C>	2,500,000	2.50
6	MR MARC DAVID HARDING	1,887,613	1.89
7	MR PAUL ST WOOD	1,827,523	1.83
8	CITICORP NOMINEES PTY LIMITED <DPSL A/C>	1,144,335	1.14
9	MR MATTHEW JAMES PENNY <JUST THE TIP A/C>	1,000,069	1.00
10	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	1,000,000	1.00
11	MR MATTHEW DAVID DUNN + MRS TRACY JANE DUNN	1,000,000	1.00
12	IGME PTY LTD <THE IGME FUND A/C>	1,000,000	1.00
13	MULTITASK INTERNATIONAL PTY LTD <THE BRUCE DAVEY OZ A/C>	1,000,000	1.00
14	ROBIS WEALTH MANAGEMENT PTY LTD <ROBIS SUPER FUND A/C>	1,000,000	1.00
15	WALKINGTON PROPERTY NOMINEES (NO 2) PTY LTD <PETER WALKINGTON S/FUND A/C>	1,000,000	1.00
16	MRS MARISA MACKOW	911,111	0.91
17	SOUTHERN STEEL INVESTMENTS PTY LTD	817,891	0.82
18	EST MR PETER PIOTR MACKOW	810,000	0.81
19	TRE PTY LTD <TIME ROAD SUPERANNUATION A/C>	802,550	0.80
20	MR DAVID RICHARDSON + MRS RYOKO RICHARDSON <D&R RICHARDSON S/F A/C>	801,909	0.80
Total		51,900,154	51.90

(d) Voting rights

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

(e) The number of restricted equity securities / securities subject to voluntary escrow

- 10 shareholders holding 32,272,716 fully paid ordinary shares are restricted until 20 January 2023

ADDITIONAL INFORMATION**(f) Unlisted Securities**

The following options are on issue:

- 1 optionholder holding 150,000 unlisted options with an exercise price of \$0.30 expiring 31 January 2024
- 1 optionholder holding 150,000 unlisted options with an exercise price of \$0.50 expiring 31 January 2024
- 1 optionholder holding 2,500,000 unlisted options with an exercise price of \$0.30 expiring 31 December 2023
- 1 optionholder holding 1,000,000 unlisted options with an exercise price of \$0.30 expiring 31 December 2025
- 4 optionholders holding 11,500,000 unlisted options with an exercise price of \$0.30 expiring 31 December 2025
- 1 optionholder holding 2,000,000 unlisted options with an exercise price of \$0.114 expiring 12 August 2025

(g) Second Annual Report after admission

The Company confirms that the cash raised has been used consistently with its business objectives.

(h) Schedule of tenements

Project	Tenement	Location	Interest at 12 September 2022
Moorefield	EL 7675	NSW	100%
Derriwong	EL 8669	NSW	100%
Cargelligo	EL 8968	NSW	100%
Rast	EL 9336	NSW	100%
Gundagai	EL 8955	NSW	100%

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