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ACN 653 330 413

Annual Report - 30 June 2022

Corporate Directory

Directors

Patric Glovac
James Warren
Jane Law

Company secretary

Quinton Meyers

Registered office

22 Townshend Road
Subiaco WA 6009
Phone: (08) 6489 1600

Share register

Automic Group
Level 5
191 St Georges Terrace
Perth WA 6000
Phone: 1300 288 664

Auditor

HLB Mann Judd (WA Partnership)
Level 4
130 Stirling Street
Perth WA 6000

Solicitors

Nova Legal
Level 2
50 Kings Park Road
West Perth WA 6005

Stock exchange listing

Pure Resources Limited is listed on the Australian Stock Exchange (ASX) (ASX Code: PR1)

Website

<https://pureresources.com.au/>

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Pure Resources Limited

Directors' Report

For the period ended 30 June 2022

The Directors present their report, together with the financial statements, of Pure Resources Limited ('Company'), which was incorporated on 2 September 2021, for the period ended 30 June 2022.

Directors

The following persons were Directors of Pure Resources Limited from incorporation on 2 September 2021 until the end of the financial period and up to the date of this report, unless otherwise stated:

Patric Glovac Executive Chairman

(Appointed 2 September 2021)

Mr Glovac co-founded GTT Ventures Pty Ltd in 2013, a boutique corporate advisory firm, specialising in the resource and technology sector. Mr Glovac has extensive corporate and commercial experience, financial and capital market knowledge.

Mr Glovac holds a Bachelor of Commerce from Murdoch University.

In the 3 years immediately before the end of the financial period, Mr Glovac served as a Director of the following listed companies:

Global Oil and Gas (ASX: GLV) (Present) (Appointed 10 August 2018)
Iperionx Ltd (ASX: IPX) (Appointed 5 May 2017, resigned 1 March 2021)
Prominence Energy Ltd (ASX: PRM) (Appointed 23 August 2019, resigned 16 July 2021)

Dr James Warren Non-executive Director

(Appointed 2 September 2021)

Dr Warren is a geologist with extensive experience in the mineral resource sector and has held a variety of technical, operational and leadership roles spanning greenfield target generation to production. Dr Warren started his career in the Eastern Goldfields working at Gold Fields St Ives operation in exploration and underground positions.

Following this, he completed his PhD focusing on the Kunanalling and Zulieka shear zones while working for Phoenix Gold Ltd, and was a key member of the exploration team prior to Phoenix Goldfields eventual takeover by Evolution Mining Ltd (ASX: EVN).

After spending a brief period in the Mineral and Hydrothermal Geochemistry team at CSIRO, Dr Warren was appointed as Exploration Manager at Echo Resources Ltd (**Echo**). At Echo, Dr Warren oversaw the aggressive exploration strategy and growth of Echo's resource base to over 1.8Moz and was involved in corporate strategy development and promotion. Dr Warren is currently the Chief Technical Officer of Marquee Resources Ltd (ASX: MQR) where he has been instrumental in generating original geological frameworks and driving project acquisition, while overseeing exploration and company promotion.

Dr James Warren holds a PHD from the University of Western Australia which he completed at the Centre for Exploration Targeting.

In the 3 years immediately before the end of the financial period, Dr Warren served as a Director of the following listed companies:

Omnia Metals Group Limited (ASX: OM1) (Present) (Appointed 23 February 2021)

Pure Resources Limited

Directors' Report (cont'd)

For the period ended 30 June 2022

Ms Jane Law

Non-executive Director

(Appointed 2 September 2021)

Ms Law has more than 20 years' experience in international trade relation and was most recently engaged as a Trade Commissioner with the Australian Trade Commission. Ms Law previously served as Regional Manager, North Asia with the Department of Commerce and Trade Western Australia. Her main role was to lead a team of business development managers to advise and facilitate Australian companies in designing and implementing export market entry strategies and inward investment attraction strategies.

Ms Law holds a Master in Business Administration (MBA) from Murdoch University.

In the 3 years immediately before the end of the financial period, Ms Law did not serve as a Director of any listed companies.

Quinton Meyers

Company Secretary

(Appointed 22 April 2022)

Mr Meyers has over six years of experience working in the equities markets in the capacity of a Stockbroker, Company Secretary and Accountant for multiple ASX listed companies gaining exposure to the Resource, Oil and Gas and technology sectors. During this time, Mr Meyers has worked on multiple initial public offers, reverse takeovers, equity capital markets transactions while developing his knowledge of the ASX Listing Rules and Corporations Act.

Mr Meyers holds a Bachelor of Commerce in Accounting and Finance from Curtin University, a Graduate Diploma in Financial Planning and is a member of Chartered Accountants Australia & New Zealand.

Interest in the Share and Options of the Company

As at the date of this report, the interest of the Directors in the shares and options of the Company were:

Name	Shares	Options
Patric Glovac	2,317,510	2,866,666
James Warren	220,000	2,000,000
Jane Law	-	2,000,000

Principal Activities

During the financial period the primary activities of the Company were the admission on to the ASX's official list and acquisition of the Company's Killarney Project, Mount Monger Project, Yandal Project and Yundamindra Project.

Review of Operations

The Company's primary focus during the reporting period was the successful completion of the Company's Initial Public Offer ("IPO") in April 2022 raising \$4,650,000 and the initial sampling at its Killarney Project (the "Project").

The Killarney Project

The Project is comprised of one tenement, E80/5153, located approx. 150km southwest of Kununurra and 140km north-east of the town of Halls Creek (Figure 1). Access is via the Great Northern Highway and then east along the Texas Downs Road for 8 km to the project site. The Project is situated in a rapidly emerging district prospective for stratigraphic copper and intrusion related nickel copper-PGE mineral systems.

Pure Resources Limited
Directors' Report (cont'd)
For the period ended 30 June 2022

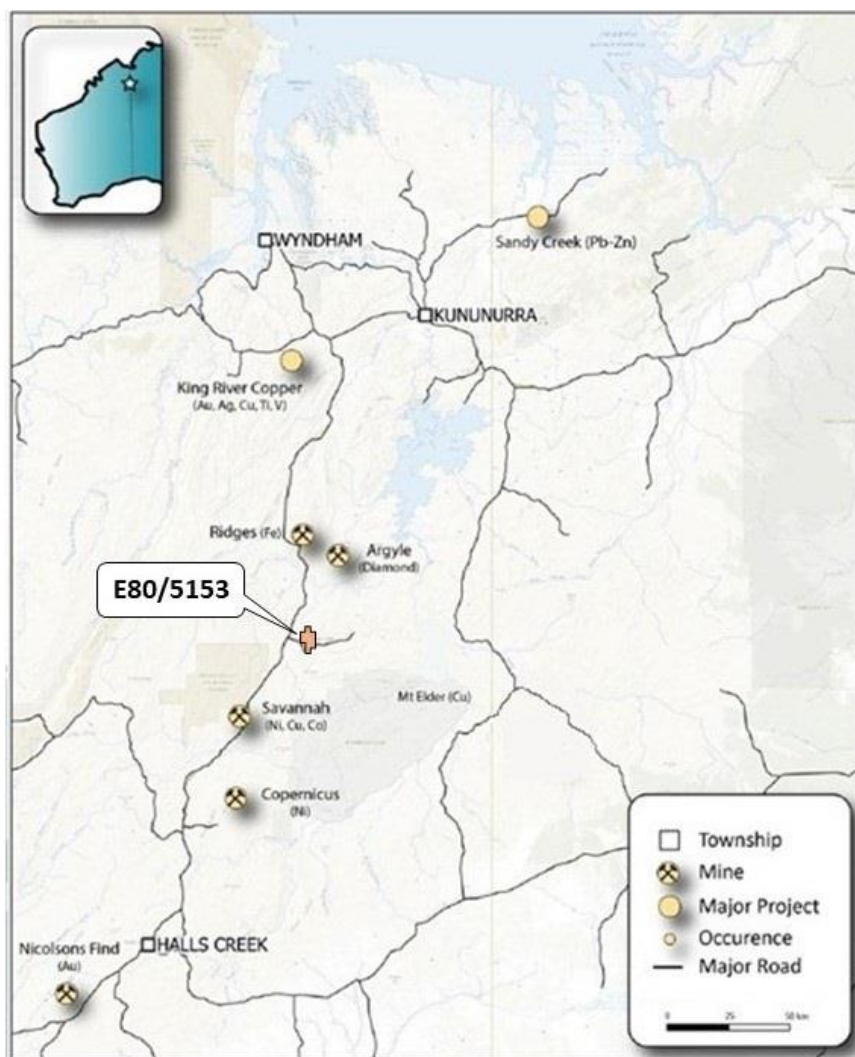


Figure 1: Location of the Killarney Project

During the period ended 30 June 2022, the Company performed reconnaissance sampling of outcropping alachite mineralisation returned high-grade copper values of 19.3% Cu & 78 g/t Ag (PRRK01), 11.4% Cu & 26 g/t Ag (PRRK02) and 1.8% Cu & 6 g/t Ag (PRRK03) (Table 1).

Table 1: Rock Chip Sample Results

Sample ID	Prospect	Easting	Northing	Ag (ppm)	Cu (ppm)	Ni (ppm)	Pb (ppm)	Zn (ppm)	Au (ppb)
PRRK01	Killarney	425330	8109572	78	192700	33.3	41.7	36.6	2.8
PRRK02	Killarney	425339	8109690	26	114300	48.6	12	55.1	1.8
PRRK03	Killarney	425355	8109702	5.9	17860	19.4	3.1	13.8	1.8
PRRK04	Turkey Creek	423353	8113563	0.04	117.9	370	4.1	78.8	1.6
PRRK05	Turkey Creek	423360	8113569	0.03	167.4	494	3.6	84	2
PRRK06	Turkey Creek	423264	8113433	0.08	360.4	427	3.1	121	0.6

Pure Resources Limited Directors' Report (cont'd) For the period ended 30 June 2022

During an initial site visit conducted in March 2022, six rock chip samples were collected from the Killarney and Turkey Creek prospects (Figure 2) to validate historical data that was reported by Australian Anglo American Ltd ("Anglo") and CRA Exploration in the early 1970's.

The Killarney Copper occurrence consists of widespread and persistent vein, fracture and disseminated copper mineralization that outcrops irregularly over an area of 250 x 100 metres. It is centred within the McHales Granodiorite some 12.5 kilometres southeast of Warmun. CRA Exploration completed the initial work at the Killarney prospects in 1972 and conducted three traverses of rock-chip sampling across the 'main' zone of mineralization and obtained copper values ranging from 10 ppm to 3.8% Cu.

In 1972, Anglo identified a malachite-stained gossan which was subsequently called the Turkey Creek Prospect. Anglo described the gossan as having a strike length of 90m (300ft), hosted by a granulite adjacent to a garnet gneiss contact (Anglo, 1973). Grab samples from the gossan returned maximum values of 1.1% Ni and 0.6% Cu.

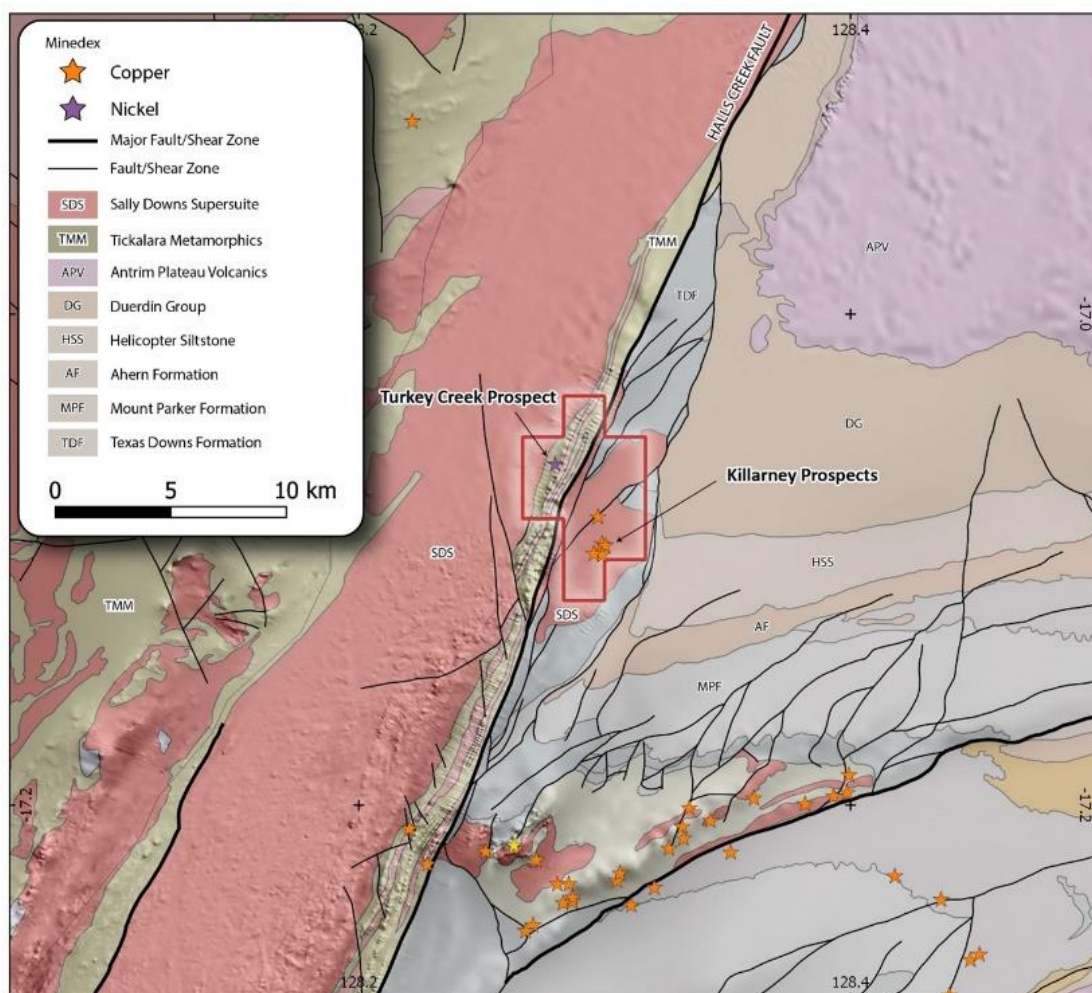


Figure 2: Location of the Killarney and Turkey Creek Prospects within tenement E80/5153

Pure Resources Limited Directors' Report (cont'd) For the period ended 30 June 2022

The Yandal Project

During the period ended 30 June 2022, the Company acquired the Yandal Project ("Yandal") as part of its IPO and admission on the ASX's official list. Yandal consists of granted exploration license E53/2023 that covers an area of approximately 43 km² and is situated in the Archean aged Yandal Greenstone belt in the Eastern Goldfields region of Western Australia. Access from Wiluna is east via the Wongawol Road for 50km and then south on the Barwidgee-Yandal Road for 20km and thereafter local station tracks.

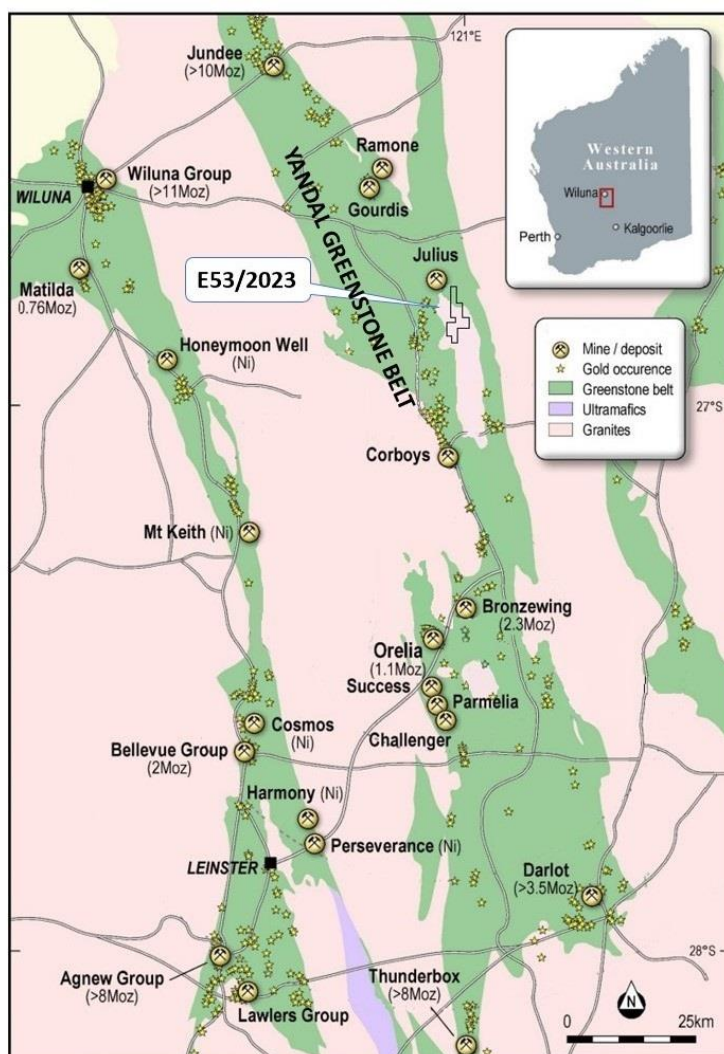


Figure 3: Yandal Belt Regional Geology with E53/2023

The Yandal project area covers greenstones and granitoids in the central part of the Yandal Belt (Figure 3). In this area, the Yandal Belt comprises two major metamorphosed rock sequences that have been intruded by granitoid bodies and quartz-feldspar porphyry dykes and sills. These major sequences are:

- Jundee Sequence; dominantly comprised of mafic rocks, with lesser amounts of ultramafic and felsic volcanic rocks and sedimentary units.
- Lake Violet Sequence; comprised of felsic volcanic rocks and sedimentary units including chert and banded iron formation, and lesser amounts of mafic rocks.

Pure Resources Limited Directors' Report (cont'd) For the period ended 30 June 2022

The Mt Monger Project

During the period ended 30 June 2022, the Company acquired the Mt Monger Project ("**Mt Monger**"). Mt Monger is situated within the Mount Monger mining district 55 km southeast of Kalgoorlie and is accessed via the Mount Monger Rd.

The Mount Monger Project consists of pending exploration license E26/227 which covers an area of approximately 12 km² and is situated in the Bulong Domain in the southwestern corner of the Kurnalpi Terrane of the Eastern Goldfields Region. The nearest weather station is located at Kalgoorlie- Boulder. Annual average rainfall is 256mm. The tenement is located in gently undulating topography with open woodlands.

The Mount Monger Project tenement is located on the western limb of a broad north-south plunging anticline referred to as the Bulong anticline. This licence overlies geologically significant felsic units adjacent to the structurally complex Daisy Milano Mine. Two regionally significant northwest oriented faults, the Hogan's and Salt Creek faults, lie within the tenement and are interpreted to be the local control on anomalous gold values obtained in surface geochemical data. The Company is in the process of preparing an exploration plan for Mt Monger.

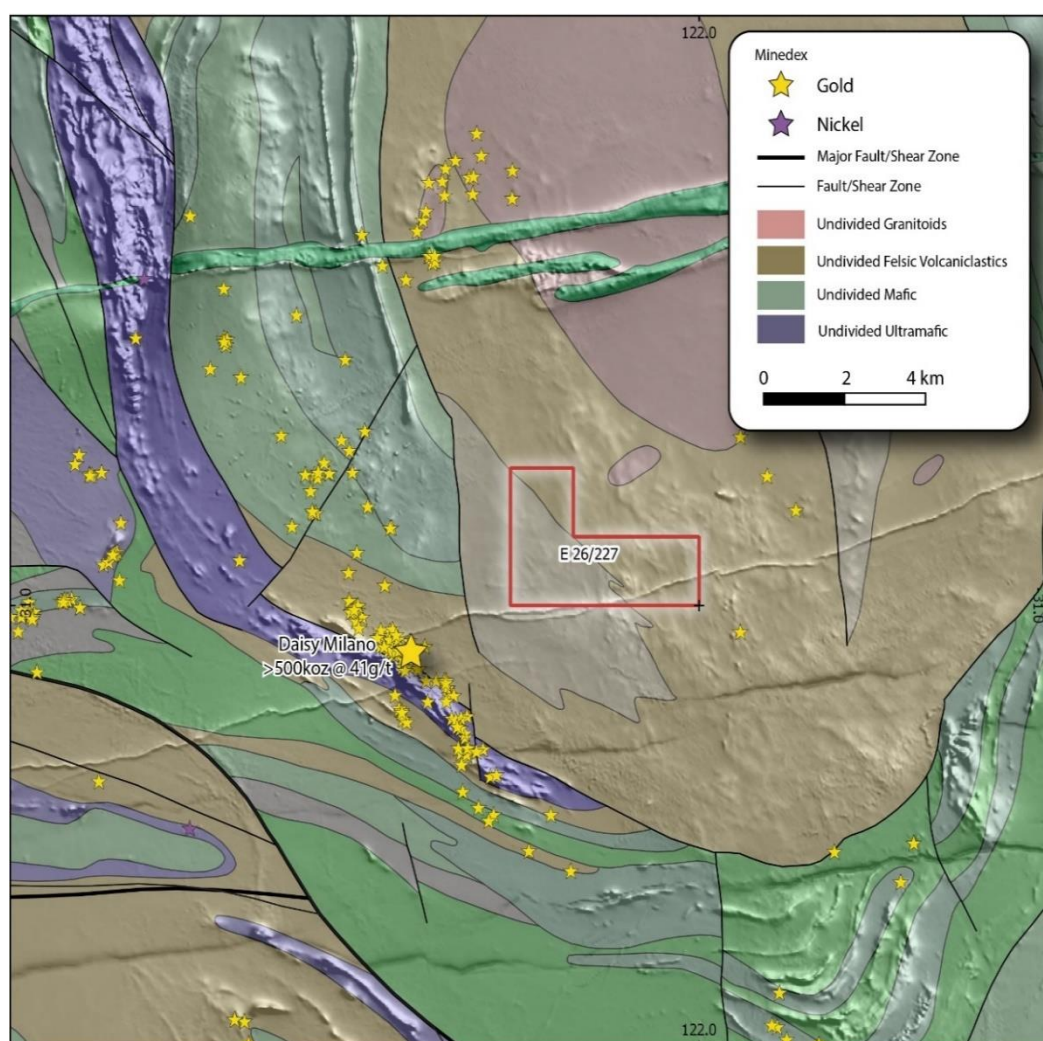


Figure 4: Geology of the Mt Monger Project

Pure Resources Limited

Directors' Report (cont'd)

For the period ended 30 June 2022

The Yundamindra Project

During the period ended 30 June 2022, the Company acquired the Yundamindra Project ("Yundamindra") as part of its IPO and admission on the ASX's official list. Yundamindra consists of the one granted and one tenement application E39/2254 & E39/2251 which collectively cover an area of approximately 90 km². The Yundamindra tenements sit in the Murrin and Linden Domains, in the eastern Kurnalpi Terrane of the Eastern Goldfields region of Western Australia. The nearest weather station is located at Leonora with average annual rainfall of 236mm. The tenements are located in a generally flat area with scattered saltbush scrub and low eucalypt vegetation. Access from the south via the Kurnalpi Pinjin Rd or from the north via the Mount Celia Rd. Yundamindra is prospective for Nickel. The Company is in the process of preparing an exploration plan for Yundamindra.

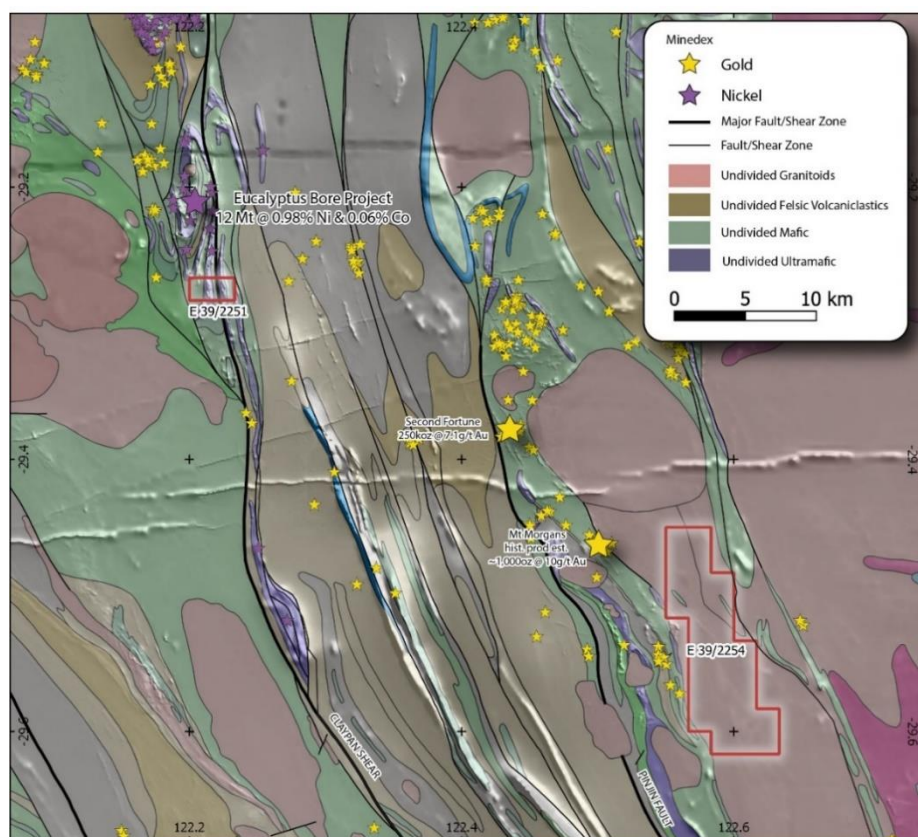


Figure 5: Geology of the Yundamindra Project

ASX Listing Rules Compliance

In preparing the Annual Report for the period ended 30 June 2022 and subsequent, the Company has relied on the following ASX announcements:

ASX Announcement	27/7/2022	Quarterly Activities/Appendix 5B Cash Flow Report
ASX Announcement	23/6/2022	Amended - High-Grade Copper Samples up to 19.3% Cu
ASX Announcement	22/6/2022	High-Grade Copper Samples up to 19.3% Cu
ASX Announcement	19/4/2022	Replacement Prospectus

Operating Results

The net loss after income tax for the period was (\$1,316,046).

Pure Resources Limited

Directors' Report (cont'd)

For the period ended 30 June 2022

Dividends

No dividends were paid during the period and no dividend has been declared for the period ended 30 June 2022.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the period, and the number of meetings attended by each Director were:

Name	Board Meetings	
	Attended	Held ¹
Patric Glovac	1	1
James Warren	1	1
Jane Law	1	1

¹As the Company was incorporated on 2 September 2021 with minimal activity thereafter, one Board meetings was held during the period. The Company passed 28 circular resolutions.

Remuneration report

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Pure Resources Limited for the financial period ended 30 June 2022. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key Management Personnel

The Directors and other key management personnel of the Group during or since the end of the financial period were:

Directors	
Patric Glovac	Executive Chairman
James Warren	Non-executive Director
Jane Law	Non-executive Director

Remuneration philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

At this point in the Company's development, the Board does not believe it is appropriate to link director and executive officers' remuneration with Company financial performance but rather project milestones.

Remuneration Committee

The Remuneration Committee of the board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the CEO and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Pure Resources Limited

Directors' Report (cont'd)

For the period ended 30 June 2022

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct. The Board is satisfied that the recommendations were made free from undue influence from any members of key management personnel.

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. There has not been any use of remuneration consultants during the period ended 30 June 2022.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Group's constitution states that an aggregate remuneration of \$500,000 per annum can be paid to the non-executive directors. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external stakeholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the Group. The current fee for non-executive directors is \$36,000 per annum (excluding statutory entitlements and superannuation). An additional fee is also paid for each Board Committee on which a Director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by Directors who serve on one or more sub committees.

Senior manager and executive Director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component is detailed in Key Management Personnel remuneration for the period ended 30 June 2022 table.

Employment Contracts

Effective 2 September 2021, the Group entered into an executive director service agreement with Mr Patric Glovac (**Executive Chairman Agreement**). Under the Executive Chairman Agreement, Mr Glovac is engaged to provide services to the Group in the capacity of Executive Chairman, based in Perth, Western Australia. Mr Glovac is to be paid remuneration of \$150,000 per annum. The Managing Director Agreement can be terminated by six month's written notice from the Company, while Mr Glovac can terminate by providing one months' written notice.

Pure Resources Limited

Directors' Report (cont'd)

For the period ended 30 June 2022

Remuneration of Key Management Personnel

2022	Short-term employment benefits Cash salary And fees \$	Post-employment Superannuation \$	Share-based payments Equity-settled options \$	Total \$	Options related %	Performance related %
Non-Executive Directors:						
James Warren	19,695	615	183,112	203,422	90	-
Jane Law	19,695	615	183,112	203,422	90	-
Executive Directors:						
Patric Glovac	77,937	2,563	262,460	342,960	77	-
	117,327	3,793	628,684	749,804	-	-

No member of key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position. No cash bonuses were granted as compensation during the current financial period. Payments to key management personnel are processed within the relevant month.

Key management personnel equity holdings

Fully paid ordinary shares

30 June 2022	Balance of Beginning of Period Number	Granted as compensation Number	Received on exercise of options Number	Net other change ⁽¹⁾ Number	Balance at end of period Number	Balance held nominally Number
Directors						
James Warren	-	-	-	220,000 ⁽¹⁾	220,000	-
Jane Law	-	-	-	-	-	-
Executive						
Patric Glovac	-	-	-	2,317,510 ⁽²⁾	2,317,510	-
	-	-	-	5,537,510	5,537,510	-

(1) Change in number of securities from director participation in the Initial Public Offer.

Share options

30 June 2022	Balance of Beginning of Period Number	Granted as compensation Number ⁽¹⁾	Net other change ⁽²⁾ Number	Balance at end of period Number	Vested and exercisable Number	Options vested during the period Number
Directors						
James Warren	-	2,000,000	-	2,000,000	-	-
Jane Law	-	2,000,000	-	2,000,000	-	-
Executive						
Patric Glovac	-	2,866,666	-	2,866,666	-	-
	-	6,866,666	-	6,866,666	-	-

(1) Options are exercisable at \$0.25 on or before the 10 April 2025.

Pure Resources Limited

Directors' Report (cont'd)

For the period ended 30 June 2022

Share-based compensation

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial period or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant
James Warren	2,000,000	10/4/2022	10/4/2022	10/4/2025	\$0.25	\$0.916
Jane Law	2,000,000	10/4/2022	10/4/2022	10/4/2025	\$0.25	\$0.916
Patric Glovac	2,866,666	10/4/2022	10/4/2022	10/4/2025	\$0.25	\$0.916

No options lapsed or expired during the period ended 30 June 2022.

Other transactions with key management personnel

On 20 December 2021, the Company entered into a lease agreement on an arm's length basis with 19808283 Pty Ltd (an entity in which Mr Patric Glovac is shareholder and director) for its registered office. The Company leases the office space for \$3,500 (plus GST) per month. As at 30 June 2022, the Company has paid 19808283 Pty Ltd \$8,050.

End of Remuneration Report

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial period

On 11 August 2022, the Company announced a pro-rata non-renounceable entitlement issue of options to eligible shareholders on the basis of one (1) option ("**Loyalty Option**") for every two (2) shares held by eligible shareholders at an issue price of \$0.001 per Loyalty Option ("**Withdrawn Offer**"). The Withdrawn Offer was subsequently withdrawn on 23 August 2022.

On 25 August 2022, the Company issued a prospectus for a pro-rata non-renounceable entitlement issue of Loyalty Options which replaced the Withdrawn Offer.

Future Developments

The Company intends to carry varying exploration programs on the Company's Killarney Project, Mount Monger Project, Yandal Project and Yundamindra Project. The Company intends to initiate project generative works focusing on the battery metals space.

Environmental Regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and Insurance of Officers or Auditors

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial period, to any person who is or has been an officer or auditor of the Company.

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.

Pure Resources Limited

Directors' Report (cont'd)

For the period ended 30 June 2022

Audit and Non-audit Services

Details of the amounts paid or payable to the auditor (HLB Mann Judd) for audit and non-audit services during the period are disclosed in note 12.

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

HLB Mann Judd (WA Partnership) 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



Patric Glovac
Chairman

29 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

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

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



Perth, Western Australia
29 September 2022

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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Pure Resources Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2022

	Note	2 September 2021 to 30 June 2022 \$
Interest income	21	530
Expenses		
Accounting and audit fees		(34,908)
Administration expense	21	(116,108)
Consulting fees		(39,080)
Director fees		(121,120)
Exploration expenses		(3,735)
Finance costs		(3,160)
Legal fees		(149,049)
Insurance		(13,468)
Share-based payments expense	19	(824,002)
Interest expense		(2,470)
Amortisation	15	(9,476)
Loss before income tax expense from continuing operations		(1,316,046)
Income tax expense	9	-
Loss for the period		(1,316,046)
Other comprehensive income for the period, net of tax		-
Total comprehensive loss for the period		(1,316,046)
(Loss) per share	14	Cents per Share
Basic loss per share		(15.64)
Diluted loss per share		(15.64)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Pure Resources Limited
Statement of Financial Position
As at 30 June 2022

	Note	As at 30 June 2022 \$
Current Assets		
Cash and cash equivalents	4	4,214,677
Trade and other receivable	5	59,805
Total current assets		<u>4,274,482</u>
Non-current Assets		
Right-of-use asset	15	107,377
Deferred exploration and evaluation expenditure	17	185,039
Total non-current assets		<u>292,416</u>
Total assets		<u>4,566,898</u>
Liabilities		
Current Liabilities		
Trade and other payables	6	93,139
Accruals		48,313
Lease liability	16	35,619
Total current liabilities		<u>177,071</u>
Non-current Liabilities		
Lease liability	16	75,161
Total non-current liabilities		<u>75,161</u>
Total liabilities		<u>252,232</u>
Net Assets		<u>4,314,666</u>
Equity		
Issued capital	7a	4,806,710
Reserves	7b	824,002
Accumulated losses		(1,316,046)
Total Equity		<u>4,314,666</u>

The above Statement of Financial position should be read in conjunction with the accompanying notes.

Pure Resources Limited
Statement of Changes in Equity
For the period ended 30 June 2022

	Notes	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Incorporated on 2 September 2021					
Loss for the Period		-	-	(1,316,046)	(1,316,046)
Other Comprehensive Loss		-	-	-	-
Total Comprehensive Loss		-	-	(1,316,046)	(1,316,046)
Issue of shares	7a	5,110,710	-	-	5,110,710
Payment for shares issue costs		(304,000)	-	-	(304,000)
Share Based payments	19	-	824,002	-	824,002
Balance as at 30 June 2022		4,806,710	824,002	(1,316,046)	4,314,666

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Pure Resources Limited
Statement of Cash Flows
For the period ended 30 June 2022

	Note	2 September 2021 to 30 June 2022 \$
Cash flows from operating activities		
Payment to suppliers and employees		(451,249)
Interest Paid		(2,470)
Interest received		530
Net cashflows used in operating activities	8	<u>(453,189)</u>
Cash flows from financing activities		
Payments for exploration and evaluation		(32,771)
Net cashflows from financing activities		<u>(32,771)</u>
Cash flows from financing activities		
Proceeds from Shares issued		5,010,710
Cost of share issue		(304,000)
Repayment of lease liabilities		(6,073)
Net cashflows from financing activities		<u>4,700,637</u>
Net increase in cash and cash equivalents		<u>4,214,677</u>
Cash and cash equivalents at beginning of financial period		-
Cash and cash equivalents at end of financial period	4	<u>4,214,677</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Pure Resources Limited

Notes to the Financial Statements

For the period ended 30 June 2022

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 since the Company's incorporation on 2 September 2021. The financial period ended 30 June 2022 is the Company's first set of Financial Statements, therefore there are no comparatives for previous periods.

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. As a result of this review, the Directors have determined that there is no material impact of the new and revised standards and interpretations on the Company and, therefore, no change is necessary to the Accounting Policies.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

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 Company for the annual reporting period ended 30 June 2022.

Basis of Preparation

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

Going Concern Basis

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the commercial realization of the group's assets and the settlement of liabilities in the normal course of business.

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 Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Pure Resources Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2022

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 Executive Chairman. The Executive Chairman is responsible for the allocation of resources to operating segments and assessing their performance.

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.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to 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.

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

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 Company prior to the end of the financial period 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.

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.

Pure Resources Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2022

Earnings Per Share

Basic Loss Per Share

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

Diluted Loss Per Share

Diluted earnings per share adjusts the figures 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 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 which 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.

Exploration and evaluation expenditure

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 period in which the decision is made.

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 Company 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.

Pure Resources Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2022

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 Company'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.

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 Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying 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.

Pure Resources Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2022

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

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

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

Note 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 period are discussed below.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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. Refer to note 19 for further information.

Note 3. Identification of reportable operating segments

The Company is organised into one operating segment, being exploration and evaluation operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors

Pure Resources Limited
Notes to the Financial Statements (cont'd)
For the period ended 30 June 2022

Note 4. Cash and Cash Equivalents

	2022
	\$
Cash at Bank	4,214,677
Total Cash and Cash Equivalents	<u>4,214,677</u>

The Company receives an interest rate of 0.6% on cash at bank.

Note 5. Trade and other receivables

	2022
	\$
GST receivable	44,655
Prepayments	15,140
Trade receivables	10
Total trade and other receivables	<u>59,805</u>

The Company does not expect any credit losses on Trade and other receivables.

Note 6. Trade and other Payables

	2022
	\$
Accounts Payable	4,945
Loan - Attvest	11,607
PAYG Withholdings Payable	4,737
Superannuation Payable	1,850
Oversubscription to be refunded	70,000
Total Trade and other payables	<u>93,139</u>

All trade and other payables are due in under 12 months.

Note 7a. Issued Capital

	No. of	2022
	Shares	\$
Ordinary Shares fully paid	37,500,010	4,806,710

Movement in Shares on Issue

	No. of	2022
	Shares	\$
Proceeds from Incorporation Shares Issued	10	10
Proceeds from Founder Shares Issued	7,000,000	700
Proceeds from Round One Seed Shares Issued	5,250,000	210,000
Proceeds from Round Two Seed Shares Issued	1,500,000	150,000
Proceeds from Initial Public Offer Shares Issued	23,250,000	4,650,000
Shares issued to Uramin Pty Ltd (acquisition of Killarney Project)	500,000	100,000
Payment for share issue costs	-	(304,000)
Closing balance	<u>37,500,010</u>	<u>4,806,710</u>

Pure Resources Limited
Notes to the Financial Statements (cont'd)
For the period ended 30 June 2022

Note 7a. Issued Capital (cont'd)

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Note 7b. Reserves

	2022
	\$
Share-based payments reserve (a)	824,002
	<u>824,002</u>

(a) Share-based payments reserve

The share-based payments reserve represents the value of options and performances rights issued to parties for services rendered.

Share-based payments reserve	
Opening balance	-
Fair value of options issued to directors and consultants	824,002
Balance at end of period	<u>824,002</u>

Note 8. Reconciliation of Net Loss After Income Tax to Net Cash Flow from Operations

	2022
	\$
Net loss after income tax	(1,316,046)
<i>Non-cash movements:</i>	
Share based payments	824,002
Amortisation	9,476
Change in operating assets and liabilities:	
(Increase)/Decrease in trade and other receivables	(59,805)
Increase/(Decrease) in trade and other payables	89,184
Net cashflows used in operating activities	<u>(453,189)</u>

Note 9. Income Tax Expense

	2022
	\$
a) Income tax expense/(benefit)	
Current tax	-
Deferred tax	-
Income tax expense/(benefit)	<u>-</u>

	2022
	\$
b) Amounts recognised directly in equity	
Current tax	-
Deferred tax	-
	<u>-</u>

Pure Resources Limited
Notes to the Financial Statements (cont'd)
For the period ended 30 June 2022

Note 9. Income Tax Expense (cont'd)

	2022
	\$
c) Reconciliation of income tax expense to prima facie tax payable:	
Profit/(loss) from continuing operations before income tax expense	(1,306,046)
Tax at the Australian tax rate of 30%	(394,813)
Tax effect of amounts which are non deductible (taxable) in calculating taxable income:	
- Permanent differences	247,742
- Temporary differences and tax losses not recognised	147,072
Income tax expense/(benefit)	-
The applicable weighted average effective tax rates	-
	2022
	\$
d) Deferred tax asset/(liability)	
Tenements	(6,812)
Business related costs	72,960
Right-of-use assets	1,021
Other	5,652
Tax losses	165,451
Net deferred tax assets/(liabilities)	238,272
Net deferred tax assets not recognised	(238,272)
Total	-

Note 10. Events After Balance Date

On 11 August 2022, the Company announced a pro-rata non-renounceable entitlement issue of options to eligible shareholders on the basis of one (1) option ("**Loyalty Option**") for every two (2) shares held by eligible shareholders at an issue price of \$0.001 per Loyalty Option ("**Withdrawn Offer**"). The Withdrawn Offer was subsequently withdrawn on 23 August 2022.

On 25 August 2022, the Company issued a prospectus for a pro-rata non-renounceable entitlement issue of Loyalty Options which replaced the Withdrawn Offer.

Note 11. Financial Instruments

Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Company's operating units. Finance reports to the Board on a monthly basis.

Pure Resources Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2022

Note 11. Financial Instruments (cont'd)

Price Risk

The Company is not exposed to any significant price risk.

Interest Rate Risk

The Company is not exposed to any significant interest rate risk at reporting period.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Company does not hold any collateral.

The Company has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Company based on recent sales experience, historical collection rates and forward-looking information that is available.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows.

The Company's liquidity risk arises from other financial liabilities and trade and other payables, together comprising the Company's financial liabilities.

Financial liabilities maturing profiles as follows:

	2022
	\$
Less than 6 months	64,379
6 months to 1 year	64,379
Later than 1 year but not later than 5 years	75,161
Over 5 years	-
	<u>203,919</u>

Pure Resources Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2022

Note 11. Financial Instruments (cont'd)

Fair Values

Fair values versus carrying amounts

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2022 \$	Fair value
Trade and other receivables	59,795	59,795
Trade and other payables	93,139	93,139
Current Lease liability	35,619	35,619
	188,553	188,553

The Directors consider the carrying amount of the financial assets and financial liabilities to be a reasonable approximation of their fair value on account of the short maturity cycle.

Note 12. Auditor's Remuneration

	2022 \$
Audit Services	
Amounts paid or payable for services to be provided by HLB Mann Judd	
An audit and review of the financial reports of the Company	20,000
Other assurance services (independent limited assurance report)	10,000
Total remuneration for audit & non-audit services	30,000

Note 13. Director and Executive Disclosures

Details of Key Management Personnel

- Patric Glovac –Executive Chairman (appointed 2 September 2021)
- James Warren – Non-executive Director (appointed 2 September 2021)
- Jane Law – Non-executive Director (appointed 2 September 2021)

Compensation of Key Management Personnel

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

	2022 \$
Short-term employee benefits	117,327
Post-employment benefits	3,793
Long-term benefits	-
Share-based payments	628,684
	749,804

Pure Resources Limited
Notes to the Financial Statements (cont'd)
For the period ended 30 June 2022

Note 14. Loss Per Share

	2022
	Cents Per Share
Basic loss per share	(15.64)
Diluted loss per share	(15.64)
	\$
(Loss) used in calculation of basic and diluted loss per share	<u>(1,316,046)</u>
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	8,414,660
Weighted average number of ordinary shares on issue used in the calculation of Diluted loss per share	<u>8,414,660</u>

Note 15. Right of use asset

	2022
	\$
Right of use asset	
Opening	-
Additions	116,853
<i>Accumulated amortisation</i>	
Opening Balance	-
Charge for the period	(9,476)
	<u>(9,476)</u>
Carrying amount	<u>107,377</u>

The Company leases its registered head office premises. The remaining lease is 2 years and 7 months.

Note 16. Lease liability

	2022
	\$
Lease liabilities	
Current	35,619
Non-current	75,161
	<u>110,780</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities.

Reconciliation of lease liabilities

	2022
	\$
Opening Balance	-
Additions	116,853
Principal repayments	(6,073)
Closing balance	<u>110,780</u>

Pure Resources Limited
Notes to the Financial Statements (cont'd)
For the period ended 30 June 2022

Note 17. Exploration and Evaluation Expenditure

	2022
	\$
Cost brought forward in respect of areas of interest in the exploration evaluation stage	-
Expenditure capitalised during the period	23,635
Acquisition of the Killarney Project	150,000
Acquisition of the Mount Monger Project	3,636
Acquisition of the Yandal Project	3,884
Acquisition of the Yundamindra Project	3,884
	<u>185,039</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Note 18. Segment Reporting

The Company undertakes mineral exploration and evaluation work on a number of tenements located in Western Australia. Management currently identifies the Company's assets as a single operating segment. The accounting policies adopted for internal reporting are consistent with those adopted for the financial statements.

This operating segment are monitored by the Company's Executive Chairman and based on internal reports that are reviewed and used by the Board of Directors in making strategic decisions on the basis of available cash reserves and exploration results.

The items which are not capitalised to exploration and evaluation expenditure and included in the statement of profit or loss and other comprehensive income, relate to the Corporate Segment.

Segment assets and liabilities are disclosed in the table below:

	Corporate Australia	Mineral Exploration Australia	Eliminations	Total
	\$	\$	\$	\$
Business segments				
Revenue				
Other external revenue	530	-	-	530
Total segment revenue	<u>530</u>	<u>-</u>	<u>-</u>	<u>530</u>
Results				
Operating loss before income tax	(1,312,310)	(3,736)	-	(1,316,046)
Net Loss	<u>(1,312,310)</u>	<u>(3,736)</u>	<u>-</u>	<u>(1,316,046)</u>
Assets				
Segment assets	4,381,849	185,039	-	4,566,888
Liabilities				
Segment liabilities	177,071	-	-	177,071

Pure Resources Limited
Notes to the Financial Statements (cont'd)
For the period ended 30 June 2022

Note 19. Share-based payments

On 10 April 2022, a total of 9,000,000 options were issued; 6,000,000 to key management personnel and 3,000,000 to adviser and consultants pursuant to the Company's IPO at a nil issue price. Utilising the Black-Scholes pricing model, each option was valued at \$0.0916.

2022

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/forfeited/ other	Balance at the end of the period
10/04/2022	10/04/2025	\$0.25	-	9,000,000	-	-	9,000,000
			-	9,000,000	-	-	9,000,000
Weighted average exercise price			-	\$0.25	-	-	\$0.25

The weighted average share price during the financial period was \$0.25

The weighted average remaining contractual life of options outstanding at the end of the financial period was 2.5 years.

For the options granted during the financial period ended 30 June 2022, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Valuation assumption

Grant date	10 April 2022
Share price at date of grant	\$0.20
Volatility	80%
Exercise price	\$0.25
Expiry date	10 April 2025
Dividend yield	Nil
Risk free investment rate	0.10%
Weighted average remaining contractual life (yrs)	2.5

Note 20. Commitments and contingent liabilities

a) Exploration Expenditure Commitments

The Company has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements. These obligations will vary from time to time, subject to statutory approval and capital management. The terms of the granted licenses and those subject to relinquishment will alter the expenditure commitments of the Company as will any change to areas subject to licence.

b) Native Title

Native title claims have been made with respect to areas which include tenements in which the Company has interests. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects.

Pure Resources Limited
Notes to the Financial Statements (cont'd)
For the period ended 30 June 2022

c) Lease Commitments

The Company leases its head office premises. Under AASB16, these have been recognised as a right of use asset and a lease liability.

d) Royalties

As part of the acquisition of the Killarney Project during 2022 the Company entered into a Royalty Deed with Uramin Pty Ltd ("Uramin"). The royalty entitles Uramin to a net smelter return of 1.5% on revenue produced from sales of ore extracted. The term of the Royalty is for the life of the mining lease on the Killarney Project, subject to the availability of ore to be extracted. At the date of this report the Company is not in a position to reliably estimate the amount, if any, that would be paid to Uramin as a result of successful economic extraction of ore from the project given its exploration stage and as such this amount has not been recognised in the accounts of the Company at balance date.

Note 21. Loss before income tax expense

The following revenue and expense items are relevant in explaining the financial performance for the period.

	2022
	\$
Interest income	530
	<hr/>
	530
Expenses	
Included in administration expenses are the following material items:	
- ASIC	5,784
- ASX Fees	61,971
- Company secretary	36,450
- Share registry	820
- General office expenses	9,509
- Subscription	1,574
	<hr/>
	116,108

Pure Resources Limited

Directors' Declaration

For the period ended 30 June 2022

In the Director's 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 the 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 period ended on that date;
- 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
- 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



Patric Glovac
Executive Chairman

29 September 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Pure Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pure Resources Limited ("the Company") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 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:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the period then ended; and
- (b) 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 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.

We have determined the matter described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p data-bbox="245 387 683 421">Exploration and evaluation assets</p> <p data-bbox="245 421 432 454">Refer to Note 9</p> <p data-bbox="245 465 842 562">The Company has capitalised exploration and evaluation expenditure of \$185,039 as at 30 June 2022.</p> <p data-bbox="245 589 842 801">Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.</p>	<p data-bbox="877 465 1430 533">Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li data-bbox="877 533 1430 678">- We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; <li data-bbox="877 678 1430 775">- We obtained evidence that the Company has current rights to tenure of its areas of interest; <li data-bbox="877 775 1430 871">- We substantiated a sample of additions to exploration expenditure during the period; <li data-bbox="877 871 1430 1061">- We enquired with management and reviewed ASX announcements and minutes of Directors' meetings to ensure that the Company had not decided to discontinue exploration and evaluation at its areas of interest; and <li data-bbox="877 1061 1430 1099">- We examined the disclosure made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

In 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

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

In our opinion, the Remuneration Report of Pure Resources Limited for the period 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
29 September 2022



B G McVeigh
Partner

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Additional Securities Exchange Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 28 September 2022. PR1 has a total issued capital of 37,500,010 ordinary fully paid shares held by 178 individual holders.

All ordinary fully paid shares carry one vote per share.

Distribution of shareholders

Analysis of number of shareholders by size of holding:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	8	1,903	0.01%
above 1,000 up to and including 5,000	5	16,019	0.04%
above 5,000 up to and including 10,000	28	272,044	0.73%
above 10,000 up to and including 100,000	90	2,446,819	6.52%
above 100,000	47	34,763,225	92.70%
Totals	178	37,500,010	100.00%

Holding less than a marketable parcel	9
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Distribution of listed option holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	5	946	0.01%
above 1,000 up to and including 5,000	17	79,926	0.46%
above 5,000 up to and including 10,000	27	223,750	1.30%
above 10,000 up to and including 100,000	30	1,034,512	6.00%
above 100,000	29	15,916,958	92.24%
Totals	108	17,256,092	100.00%

Distribution of unlisted option holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	2	150,000	1.67%
above 100,000	6	8,850,000	98.33%
Totals	8	9,000,000	100.00%

Additional Securities Exchange Information (cont'd)

Twenty largest shareholders

The names of the twenty largest holders by account holding of ordinary shares are listed below:

Position	Holder Name	Holding	% IC
1	SIMWISE DEVELOPMENTS PTY LTD	12,751,625	34.00%
2	SYRACUSE CAPITAL PTY LTD <THE ROCCO TASSONE S/F A/C>	1,927,689	5.14%
3	TRIBECA NOMINEES PTY LTD	1,920,000	5.12%
4	KCIRTAP SECURITIES PTY LTD <N&P GLOVAC FAMILY AC>	1,867,500	4.98%
4	MOUNTS BAY INVESTMENTS PTY LTD <CALVER CAPITAL A/C>	1,867,500	4.98%
5	SYRACUSE CAPITAL PTY LTD <TENACITY A/C>	1,667,500	4.45%
6	ANZANI HOLDINGS PTY LTD <THE ZANI FAMILY A/C>	1,300,000	3.47%
7	ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO 2 A/C>	1,228,693	3.28%
8	KA HON LEONG	940,840	2.51%
9	YEONG CHYI LAW	898,348	2.40%
9	KIAN JOO TAN	898,348	2.40%
10	MR JACOB ANTONI LAY	720,000	1.92%
11	HUSTLER INVESTMENTS PTY LTD	600,000	1.60%
12	LAN GEK KOH	564,503	1.51%
13	ANZANI HOLDINGS PTY LTD <THE ZANI FAMILY A/C>	550,000	1.47%
14	URAMIN PTY LTD	500,000	1.33%
15	ALISSA BELLA PTY LTD <THE C&A TASSONE SUPER A/C>	499,410	1.33%
16	GIAC ENTERPRISES PTY LTD	460,000	1.23%
17	ZANINOVICH PHARMACY PTY LTD <ZANINOVICH INVESTMENT A/C>	435,000	1.16%
18	MR MICHAEL ANTHONY DEL CASALE & MRS SHEREE LOUISE DEL CASALE <D C SUPERANNUATION A/C>	360,000	0.96%
19	MS BARBARA SEIW-HWA HENG	317,851	0.85%
20	MISS MELISSA TASSONE	312,296	0.83%
	Total	32,587,103	86.90%
	Total issued capital - selected security class(es)	37,500,010	100.00%

Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the year ended 30 June 2022 consistent with its business objective and strategy.

Restricted securities subject

The Company has the following securities in escrow.

Security	Number of securities	Escrow period	Date of release from escrow
Fully Paid Ordinary Shares	11,850,001	24 Months	21 April 2024
Fully Paid Ordinary Shares	125,000	12 Months	22 December 2022
Fully Paid Ordinary Shares	500,000	12 Months	12 April 2023
Options exercisable at \$0.25 on or before 10 April 2025	8,133,333	24 Months	21 April 2024
Options exercisable at \$0.25 on or before 10 April 2025	866,667	12 Months	11 April 2023

Additional Securities Exchange Information (cont'd)

Tenement interests

Tenement	State	Status	Project	Area (km ²)	Holder	Beneficial Interest
E26/227	Western Australia	Granted	Mount Monger Project	10.6	GTT Ventures Pty Ltd	100%
E39/2251	Western Australia	Granted	Yundamindra Project	5.7	GTT Metals Group Pty Ltd	100%
E39/2254	Western Australia	Granted	Yundamindra Project	82	GTT Metals Group Pty Ltd	100%
E53/2023	Western Australia	Granted	Yandal Project	43.3	Pure Resources Limited	100%
E80/5153	Western Australia	Granted	Killarney Project	32.7	Uramin Pty Ltd	100%