GBM RESOURCES LTD

ACN 124 752 745

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2022

GBM Resources Limited

ABN 91 124 752 745

Contents

GBM Resources Limited

ABN 91 124 752 745

Corporate Directory

Directors
Peter Mullens
Executive Chairman

Peter Rohner
Managing Director

Guan Huat Sunny Loh
Non-Executive Deputy Chairman

Brent Cook
Non-Executive Director

Peter Thompson
Non-Executive Director

Company Secretaries
Kevin Hart
Dan Travers

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Perth WA 6000
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Share Registry
Computershare Investor Services
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Securities Exchange Listing
GBM Resources Limited - shares are listed on the Australian Securities Exchange (ASX Code: GBZ)

Solicitors
Steinepreis Paganin
Lawyers and Consultants
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AUSTRALIA

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Email: reception@gbmex.com.au

The Directors present their report together with the consolidated financial statements for the Company and its controlled entities ('Group') for the financial year ended 30 June 2022.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Peter Mullens – B.Sc (Geology), Fellow AUSIMM
Executive Chairman

Mr. Mullens has over 35 years' experience in the mining industry from early exploration to development and mine production. He has been involved with major companies having worked for Rio Tinto and Mt Isa Mines at world class Broken Hill and Mt Isa Ag, Pb, Zn mines located in Australia.

Mr Mullens has been closely involved in companies raising in excess of USD $250 million since 2002. He is currently Non-Executive Chairman of Royal Road Minerals (TSX-RYR) who are exploring in Colombia.

He has had a history of success with junior exploration companies over the last 20 years including acquiring Aquiline Resources' Argentinean projects and the resulting sale to Pan American Silver for CAD $ 630 million in 2009, Chief Geologist and director for Laramide Resources, and co-founder and director of Lydian Resources (TSX-LYD) which discovered the 4 million-ounce Amulsar Gold Deposit located in Armenia.

Mr Mullens was appointed as non-executive Director and then non-executive Chairman of E2 Metals, a silver exploration company listed on the ASX (ASX: E2M), on 13 July 2021 and 1 November 2021 respectively. He is also a director of a private Company Mogote Metals exploring for copper in Argentina.

Peter Rohner – B.Sc (Metallurgy), Grad Dip Applied Finance & Investment,
Managing Director

Mr Rohner has over 30 years' experience in the mining industry. In particular, he has been heavily involved in mineral process technology development including development of the Jameson flotation cell, IsaMill fine grinding and, more recently, significant involvement in further development of Glencore's Albion Process (fine grind oxidative leach) technology.

Mr Rohner is also currently a Technical Director of the Core Group, which provides metallurgical processing solutions to its global clients. He is also a director of Stibium Mining Pty Ltd and in the last 3 years a former director of Tartana Resources Limited (from September 2017 to August 2020) and Stibium China Holdings Ltd (from October 2018 to August 2021).

Peter Thompson – B.Bus, CPA, FCIS
Non-Executive Director

Experience
Mr Thompson is a CPA qualified accountant and Fellow of Governance Institute of Australia. He has over 40 years' experience in the mining industry in Australia, UK and South America in senior roles with several international mining companies.

Mr Thompson was appointed as an independent non-executive director of Nova MSC Berhad, a Malaysian public company on 1 June 2017.

Mr Thompson has held no other directorships of listed companies in the last 3 years.

Mr Guan Huat Sunny Loh – BBA, ACS, ACIS, MBA
Non-Executive Deputy Chairman

Mr Loh's expertise lies in corporate strategy, finance markets, investor relations and capital restructures. Mr Loh holds a BBA from National University of Singapore and an MBA of Strategic Marketing from the University of Hull. He is also an Associate of the Institute of Chartered Secretaries and Administrators.

DIRECTORS (CONTINUED)

Mr Loh has been appointed to the role of Deputy Chairperson. In this role he will further support the Board through interaction with the Company's overseas shareholder base, and via evaluation of additional funding and corporate options to further develop and grow GBM. He has a long and supportive relationship with the Company as both a shareholder and, previously, as a Non-Executive Director.

Mr Loh has been appointed as an Executive Chairman of Nova MSC Berhad, a public company listed on Bursa Malaysia with effect from 1 April 2021.

Mr Loh has held no other directorships of listed companies in the last 3 years.

Brent Cook – B.Sc (Geology)
Non-Executive Director (appointed 17 September 2020)

Experience
Mr. Cook is an economic geologist with over 40 years' experience in exploration, mining and finance. During his career he has worked on numerous deposit types in over 60 countries. From 1999 to 2003, Mr Cook was chief analyst at Global Resource Investments (now Sprott Global) and an advisor to three micro-cap junior exploration funds. Since 2003 Mr Cook has also acted as an independent advisor and mining analyst, working with a number of junior mining companies, money management groups and individual investors. From 2008 to 2016 he was owner and author of the resource investment letter Exploration Insights. Mr Cook brings a wealth of knowledge from his experiences within the Financial and Mining sectors.

Mr Cook has held no other directorships of listed companies in the last 3 years.

COMPANY SECRETARIES

Mr Kevin Hart – B.Comm FCA

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 3 February 2010. He has over 35 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a Director in an advisory firm which specialises in the provision of company secretarial services to ASX listed entities.

Dan Travers – B.Sc (Hons), FCCA

Mr Travers is a Fellow of the Association of Chartered Certified Accountants and was appointed to the position of Joint Company Secretary on 19 November 2020. Mr Travers is an employee of Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

MEETINGS OF DIRECTORS
During the financial year, the following meetings of Directors (including committees) were held:

	DIRECTORS' MEETINGS	
	Number Eligible to Attend	Number Attended
P Mullens	**11**	**11**
P Rohner	**11**	**11**
P Thompson	**11**	**11**
S Loh	**11**	**11**
B Cook	**11**	**9**

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were exploration in respect of its gold projects in Australia and operation of the White Dam Gold Copper project. Corporate activities focussed on various equity raisings and strategic acquisitions and disposals to further the Group's Drummond Basin growth strategy.

OPERATING AND FINANCIAL REVIEW

Exploration

During the year the Group finalised the acquisition of the Twin Hills Project from Minjar Gold Pty Ltd and an updated JORC 2012 Mineral Resource estimate was completed during the March 2022 quarter taking the Drummond Basin JORC resource position to ~ 1.6 Moz of gold.

Exploration activities for the year were focussed on the Group's projects in the Drummond Basin, Queensland. Phase 1 drilling at the Yandan Gold Project confirmed the potential to further expand the current gold resources at East Hill and will lead to resource upgrade work and new geological target identification. A diamond drill program, undertaken at the Glen Eva deposit in the Mt Coolon Gold Project, has extended the mineralisation to the south-east of the current Glen Eva resource and has highlighted a major new zone of gold mineralisation. The maiden drill program at Twin Hills returned outstanding assay results. The Company is currently reviewing all the historical geological information and latest drilling results with the aim of revising the mineral resource estimate within the latter half of the year.

Exploration activities, including diamond drilling, were undertaken at the Malmsbury Gold Project which is subject to a farm in and joint venture with Novo Resources Corp. The Group holds a 50% interest in Malmsbury with Novo Resources Corp. who can earn a further 10% interest through exploration funding of $5m over 4 years.

Production – White Dam

On 30 July 2021, the Company completed the acquisition of a 100% interest in White Dam Gold Project, South Australia which includes associated infrastructure, all leaching, gold processing plant, mining leases (including all JORC resources) and other tenements. As part of the acquisition process, the White Dam assets (plant and exploration assets) were independently valued. The acquisition was accounted for in accordance with AASB 3 Business Combinations and resulted in a bargain purchase of approximately $1.2 million. Production is continuing with opportunities to source new feed on the heap leach pads being reviewed.

Corporate

During the year, the Company completed a capital raise receiving proceeds totalling $7.4 million (before costs) which helped fund the acquisition of the Twin Hills Gold Project from Minjar Gold Pty Ltd. The acquisition of Twin Hills was completed in January 2022.

The Group also entered into agreements to sell non-core assets with the Brightlands-Milo Project in Queensland being sold to Consolidated Uranium Inc, and the Mayfield Project tenement being sold to C29 Metals Limited.

COVID-19

GBM's business continues to operate in full compliance with the COVID-19 advice from the Australian Government and relevant health authorities.

The situation is evolving, and whilst there are currently no significant impacts, there remains some uncertainty and risks with potential impacts on the White Dam Heap Leach Operation and planned exploration programs.

Operating Results

In the financial year to 30 June 2022, the Group made a net loss after income tax of $642,341 (2021: profit $267,851). The loss included $3,332,817 revenue from gold sales, $2,808,396 profit from the sale of assets, a bargain purchase on the acquisition of the White Dam Project of $1,216,826 and non-cash costs of $3,237,290 (depreciation, impairment and fair value losses).

Financial Position

At the end of the financial year, the Group had $836,149 (2021: $5,676,340) in cash on hand and on deposit. Exploration expenditure incurred for the year on the Group's wholly owned projects was $10,030,074, with carried forward exploration and evaluation expenditure totalling $37,442,813 (2021: $19,574,428).

EQUITY SECURITIES ON ISSUE

	30 June 2022	30 June 2021
Ordinary fully paid shares	**522,928,466**	**433,246,182**
Options over unissued shares	**120,696,052**	**80,746,765**
Performance Rights over unissued shares	**1,650,219**	**-**

Subsequent to the end of the financial year, the Company issued 28,369,262 placement shares and a further 8,416,157 shares on the exercise of options and performance rights to raise approximately $1.68 million (before costs).

Options over Ordinary Shares

At the date of this report, there are 112,366,852 unissued shares of the Group under option as follows:

Date Granted	Expiry Date	Exercise Price	Number of options at 30 June 2022	Number of options at date of report
5 February 2019	31 January 2023	$0.085	1,880,000	1,880,000
17 December 2019	16 December 2022	$0.05	8,000,000	-
6 April 2020	6 April 2023	$0.105	16,074,152	16,074,152
6 July 2020	6 July 2023	$0.11	50,567,301	50,567,301
15 September 2020	14 September 2024	$0.21	300,000	300,000
12 February 2021	11 February 2025	$0.18	2,000,000	2,000,000
29 April 2021	11 February 2025	$0.18	1,900,000	1,900,000
9 December 2021	31 October 2025	$0.18	855,000	855,000
2 March 2022	30 November 2022	$0.075	39,119,599	38,790,399

During the year, 51,938,636 options were issued (comprising of 51,083,636 options exercisable at $0.075 and expiring 30 November 2022 and 855,000 options exercisable at $0.18 expiring 31 October 2025) and 11,989,349 options were exercised. No options were cancelled during the financial year.

Subsequent to 30 June 2022 and up to the date of this report, 8,329,200 options were exercised. No options have been issued or cancelled since the end of the financial year.

Performance Rights over Ordinary Shares

During the year ended 30 June 2022, the Company issued 1,780,654 performance rights pursuant to the terms and conditions of the Company's Performance Rights and Option Plan and 130,435 performance rights were exercised and converted into shares. No performance rights were cancelled during the reporting period.

Subsequent to 30 June 2022, 86,957 performance rights were exercised. No performance rights have been issued, vested or cancelled since the end of the financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as stated in the Operational and Financial Review section above, there were no other significant changes in the state of affairs of the Group during the financial year, not otherwise disclosed in this Directors' Report or in the Review of Operations.

EVENTS SUBSEQUENT TO BALANCE DATE

Other than as stated below, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 12 July 2022, 23,269,262 ordinary shares in the Company were issued to institutional and sophisticated investors to raise approximately $1.26 million (before costs).
- In August 2022, the Company executed the Definitive Agreement setting out the terms and conditions or the sale of the Mt Morgan Gold Copper Project Tenements to Australis Metals Pty Ltd a wholly owned subsidiary of Smartset Services Inc, a listed Canadian company. Refer to Note 22(c).
- In August 2022, the Group received the consideration for the sale of the Mayfield Project which consisted of a cash payment of $210,000 and 1,558,963 fully paid ordinary shares in C29 Metals Limited. Refer to Note 22(d).
- In September 2022, the Company entered into an agreement to issue secured convertible notes up to $10 million to the Collins Street Convertible Note Fund, in two tranches of $5 million per tranche, with tranche 2 subject to shareholder approval. The convertible notes attract interest at 10.5% per annum payable monthly in advance, are for a 3 year term and are convertible at 8.75 cents.
- In September 2022, the Company received firm commitments to raise $305,000 pursuant to a share placement at 5 cents per share.
- In September 2022, the Department of Environment and Science (DES) reviewed the estimated rehabilitation costs (ERC) for the Yandan Gold Mine and proposed an increase of the surety above the amount calculated by the Group. The Group is challenging this decision and on 26 September 2022, the Group lodged a request that the DES perform an internal review of its ERC calculation.
- Since the end of the financial year, 28,369,262 shares have been issued in relation to the events listed above, and 8,416,157 shares have been issued on the exercise of options and performance rights.

The impact of the coronavirus (COVID-19) pandemic is ongoing. The situation is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

DIVIDENDS

No dividends were paid during the year and the Directors recommend that no dividends be paid or declared for the financial year ended 30 June 2022.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Comments on expected results of the operations of the Company are included in this report under the Review of Operations.

Disclosure of other information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL ISSUES

The Group holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement.

There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2022.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share based compensation

Remuneration Policy

The Board of Directors is responsible for remuneration policies and the packages applicable to the Directors of the Company. Whilst the broad remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality, the Board has consciously been focused on conserving the Company's funds to ensure the maximum amount is spent on exploration, and this is reflected in the modest level of Director fees.

The policy of the Group is to offer competitive salary packages which provide incentive to Directors and executives and are designed to reward and motivate. Total remuneration for all Non-Executive Directors was voted on by shareholders, whereby it is not to exceed in aggregate $200,000 per annum. Non-Executive Directors receive fees agreed on an annual basis by the Board.

At the date of this report, the Company had not entered into any remuneration packages with Directors or senior executives which include specific performance-based components. Long term and short term incentives, may be awarded subject to Board discretion.

Details of Remuneration for Directors and Executive Officers

The remuneration of each Director of the Company and relevant executive officers (together known as Key Management Personnel or KMP) are set out in the table below.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board of Directors obtains independent advice when appropriate in reviewing remuneration packages.

During the year, there were no senior executives who were employed by the Company for whom disclosure is required.

2022	*Short term*	*Post Employment*		*Share Based Payments*		
Directors	*Salary and fees $*	*Super - annuation $*	*Termination benefits $*	*Options / shares $*	*Total $*	*Performance Based Payments as % of remuneration %*
P Mullens	**133,192**	**8,219**	**-**	**-**	**141,411**	**-**
P Rohner	**228,310**	**22,831**	**-**	**-**	**251,141**	**-**
P Thompson	**84,000**	**8,400**	**-**	**-**	**92,400**	**-**
S Loh	**48,000**	**-**	**-**	**-**	**48,000**	**-**
B Cook	**48,000**	**-**	**-**	**-**	**48,000**	**-**
Total Directors	**541,502**	**39,450**	**-**	**-**	**580,952**	**-**

REMUNERATION REPORT (AUDITED)

2021	***Short term***	***Post Employment***		***Share Based Payments***		
Directors	***Salary and fees $***	***Super - annuation $***	***Termination benefits $***	***Options / shares $***	***Total $***	***Performance Based Payments as % of remuneration %***
P Mullens	**164,384**	**15,616**	**-**	**-**	**180,000**	**-**
P Rohner	**228,310**	**21,690**	**-**	**-**	**250,000**	**-**
P Thompson	**87,325**	**3,990**	**104,000**	**-**	**195,315**	**-**
S Loh	**48,000**	**-**	**-**	**-**	**48,000**	**-**
B Cook[1]	**37,973**	**-**	**-**	**35,355**	**73,328**	**-**
N Norris[2]	**22,330**	**665**	**80,000**	**-**	**102,995**	**-**
Total Directors	**588,322**	**41,961**	**184,000**	**35,355**	**849,638**	**-**

[1] Appointed 17 September 2020

[2] Resigned 17 September 2020

See disclosure relating to service agreements for further details of remuneration of executive directors.

Options Provided as Remuneration

During the year ended 30 June 2022 no options were issued as remuneration and no shares were issued to KMP of the Company in respect of the exercise of options previously granted as remuneration.

Key management personnel have the following interests in unlisted options over unissued shares of the Company.

Name	**Balance at beginning of the year**	**Received during the year as remuneration**	**Other changes during the year**	**Balance at the end of the year**	**Vested and exercisable at 30.06.2022**
P Mullens	4,200,000	-	-	4,200,000	4,200,000
P Rohner	4,456,144	-	60,157	4,516,301	4,516,301
B Cook	300,000	-	-	300,000	300,000

Further details of the options granted are disclosed in Note 23 to the financial report.

Service Agreements

Remuneration and other terms of employment for the Executive Directors are set out in Service Agreements:

<u>Peter Mullens – Executive Chairman</u>

On 1 July 2020, Mr Mullens entered into a 3 year service agreement with the Company with a base salary inclusive of statutory superannuation of $180,000 per annum which was subject to annual review. On 1 January 2022, the Company entered into a service agreement with Ironbark Pacific Pty Ltd, an entity associated with Mr Mullens, for the provision of Executive Chairman services by Mr Mullens for a monthly fee of $9,000 exclusive of GST. The contract is for a term of 12 months from 1 January 2022 to 31 December 2022 but may be re-negotiated at this time. Either party may terminate the contract with the provision of 4 weeks written notice or the contract may be terminated immediately in the case of serious misconduct.

REMUNERATION REPORT (AUDITED)

Peter Rohner – Managing Director

On 1 July 2020, Mr Rohner entered into a 3 year service agreement with the Company with a base salary inclusive of statutory superannuation of $250,000 per annum which is subject to annual review.

The Service agreement contains certain provisions typically found in contracts of this nature. There is no specific cash bonus or other performance based compensation contemplated in the agreement. Long term and short term incentives, may be awarded subject to Board discretion. The Company may terminate the Service Agreement without cause by providing six months written notice to the individual or by making a payment in lieu of notice. The Service Agreement may be terminated immediately in the case of serious misconduct.

Share Based Compensation

At the date of this report the Company has not entered into any agreements with KMP which include performance based components. Options issued to Directors are approved by shareholders and were not the subject of an agreement or issued subject to the satisfaction of a performance condition.

Options may be issued to provide an appropriate level of incentive and are a cost effective means given the Company's size and stage of development.

Group Performance

In considering the Company's performance, the Board provides the following indices in respect of the current financial year:

	2022	2021	2020	2019	2018
(Loss)/profit for the year attributable to shareholders	**($642,341)**	$267,851	($1,198,012)	($4,239,459)	($5,781,089)
Closing share price at 30 June	**$0.061**	$0.115	$0.080	$0.037	$0.046

As a Group focussed on exploration activities, the Board does not consider the loss attributable to shareholders as one of the performance indicators when implementing Short Term Incentive payments.

In addition to technical exploration success-resource growth, the Board considers the effective management of safety, environmental and operational matters and successful management, acquisition and consolidation of high quality projects together with successful management of the Group's farm-in arrangements, as more appropriate indicators of management performance for the financial year.

DIRECTORS' INTERESTS

The relevant interest of each Director in the ordinary shares and options issued by the Company as notified by the Directors to the Australian Securities Exchange at the date of this report, is set out in the table below.

Ordinary shares

Director	Ordinary shares held at 1 July 2021	Received during the year as remuneration	Movement during the financial year	Ordinary Shares held at 30 June 2022	Ordinary shares held at the date of the Directors' Report
P Thompson	7,011,467	-	-	7,011,467	7,011,467
S Loh	6,080,671	-	608,067	6,688,738	6,688,738
P Mullens	7,975,758	-	1,797,576	9,773,334	13,773,334
P Rohner	7,835,941	-	4,157,313	11,993,254	15,859,379
B Cook	-	-	-	-	-

[1] Movement during the year relates to participation in placements, on-market purchases or shares issued on exercise of options.

REMUNERATION REPORT (AUDITED)

Options

Director	Options held at 1 July 2021	Received during the year as remuneration	Movement during the financial year	Options held at 30 June 2022	Options held at the date of the Directors' Report
P Thompson	-	-	-	-	-
S Loh	-	-	-	-	-
P Mullens	4,200,000	-	-	4,200,000	200,000
P Rohner	4,456,144	-	60,157	4,516,301	516,301
B Cook	300,000	-	-	300,000	300,000

LOANS TO DIRECTORS AND EXECUTIVES

There were no loans entered into with Directors or executives during the financial year ended 30 June 2022.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

During the year, the Company incurred costs of $11,445 (2021: $20,060) with Core Metallurgy Pty Ltd an entity associated with Mr Peter Rohner, for project consulting fees relating to White Dam. At 30 June 2022, no amount was owing to Core Metallurgy Pty Ltd (2021: $528).

Office rent of $4,000 (2021: $12,000) was incurred with Ironbark Pacific Pty Ltd, an entity associated with Mr Peter Mullens. At 30 June 2022, there was no amount owing to Ironbark Pacific Pty Ltd (2021: $nil).

<u>End of Remuneration Report</u>

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

Other than the above, the Group has not, during or since the end of the financial year, given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums for the Directors, officers or auditors of the Company or the controlled entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

NON-AUDIT SERVICES

No non-audit services were provided by the external auditors in respect of the current or preceding financial year.

AUDITOR'S INDEPENDENCE DECLARATION

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

Signed in accordance with a resolution of the Board of Directors.

Dated this 30th day of September 2022

PETER MULLENS
Executive Chairman

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

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

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
30 September 2022

M R Ohm
Partner

GBM Resources Limited

ABN 91 124 752 745

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Share of joint venture income		**504,334**	1,460,014
Share of joint venture expenses		**(444,626)**	(1,020,842)
Net income from joint venture		**59,708**	439,172
Revenue from gold and silver sales		**3,332,817**	-
Interest income		**15,555**	9,407
Gain on sale of assets	4	**2,808,396**	2,815,279
Bargain purchase on acquisition	22(a)	**1,216,826**	-
Other revenue	4	**292,416**	314,874
Processing expenses		**(2,017,057)**	-
Royalty expenses		**(262,768)**	-
Employee expenses	5	**(674,087)**	(783,727)
Consulting and professional services		**(729,611)**	(473,597)
Interest and finance costs		**(14,400)**	(34,096)
Exploration expenditure expensed and written off	5	**(445,900)**	(953,108)
Depreciation and amortisation expenses	5	**(354,082)**	(130,562)
Impairment losses	5	**(405,277)**	-
Fair value loss on investments	13	**(2,477,931)**	(363,615)
Administration and other expenses		**(986,946)**	(572,176)
(Loss)/profit before income tax		**(642,341)**	267,851
Income tax benefit	6	**-**	-
(Loss)/profit for the year		**(642,341)**	267,851
Other comprehensive income		**-**	-
Total comprehensive (loss)/income for the year		**(642,341)**	267,851
		Cents	Cents
Basic (loss)/earnings per share	7	**(0.1)**	0.7
Diluted (loss)/earnings per share	7	**(0.1)**	0.7

The accompanying notes form part of these financial statements

GBM Resources Limited

ABN 91 124 752 745

Consolidated Statement of Financial Position

As at 30 June 2022

		Consolidated	
		2022	2021
	Note	**$**	$
Current assets			
Cash and cash equivalents	26	**836,149**	5,676,340
Trade and other receivables	8	**243,683**	1,030,582
Prepayments		**-**	22,913
Asset held-for-sale		**945,891**	241,654
Inventories	9	**1,049,947**	673,654
Total Current Assets		**3,075,670**	7,645,143
Non-current assets			
Exploration and evaluation expenditure	10	**37,442,813**	19,574,428
Right-of-use assets	11	**176,239**	-
Property, plant and equipment	12	**3,533,402**	1,380,604
Capitalised option costs		**-**	45,000
Financial assets	13	**1,634,642**	3,516,640
Bonds and security deposits	14	**9,842,639**	5,932,649
Total Non-current Assets		**52,629,735**	30,449,321
TOTAL ASSETS		**55,705,405**	38,094,464
Current liabilities			
Trade and other payables	15	**2,914,290**	2,394,223
Employee leave liabilities		**232,018**	-
Lease liabilities	16	**84,033**	-
Borrowings	17	**32,344**	20,304
Total Current Liabilities		**3,262,685**	2,414,527
Non-current liabilities			
Lease liabilities	16	**97,460**	-
Borrowings	17	**35,250**	43,415
Provisions	18	**13,865,305**	6,296,101
Total Non-current Liabilities		**13,998,015**	6,339,516
TOTAL LIABILITIES		**17,260,700**	8,754,043
NET ASSETS		**38,444,705**	29,340,421
Equity			
Issued capital	19	**62,217,473**	53,575,033
Option capital		**977,990**	-
Accumulated losses	21	**(25,523,814)**	(24,881,473)
Share based payment reserve	21	**773,056**	646,861
TOTAL EQUITY		**38,444,705**	29,340,421

The accompanying notes form part of these financial statements

GBM Resources Limited

ABN 91 124 752 745

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

Consolidated	Note	Issued capital $	Option capital $	Accumulated losses $	Share based payment reserve $	Total $
Balance at 1 July 2020		36,986,753	-	(25,149,324)	362,913	12,200,342
Shares issued (net of costs)	19	15,575,384	-	-	-	15,575,384
Profit attributable to members of the Company	21	-	-	267,851	-	267,851
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	267,851	-	267,851
Exercise of convertible notes		700,000	-	-	-	700,000
Exercise of options/rights		312,896	-	-	(252,038)	60,858
Vesting of options/rights		-	-	-	535,986	535,986
Balance at 30 June 2021		53,575,033	-	(24,881,473)	646,861	29,340,421
Balance at 1 July 2021		**53,575,033**	**-**	**(24,881,473)**	**646,861**	**29,340,421**
Shares issued (net of costs)	**19**	**7,428,252**	**-**	**-**	**-**	**7,428,252**
Loss attributable to members of the Company	**21**	**-**	**-**	**(642,341)**	**-**	**(642,341)**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year		**-**	**-**	**(642,341)**	**-**	**(642,341)**
Issue of options		**-**	**1,277,091**	**-**	**-**	**1,277,091**
Exercise of options/rights		**1,214,188**	**(299,101)**	**-**	**(15,000)**	**900,087**
Vesting of options/rights		**-**	**-**	**-**	**141,195**	**141,195**
Balance at 30 June 2022		**62,217,473**	**977,990**	**(25,523,814)**	**773,056**	**38,444,705**

The accompanying notes form part of these financial statements

GBM Resources Limited

ABN 91 124 752 745

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Cash receipts from gold sales		**3,837,151**	1,460,014
Payments to suppliers and employees		**(4,801,900)**	(3,044,332)
Recognition of share of joint venture operating cash assets		**48,386**	126,207
Interest received		**15,555**	9,407
Other income		**10,376**	-
Government grant		**184,000**	50,000
JV management fee income		**207,220**	12,072
Interest and other costs of finance paid		**(14,400)**	(39,929)
Net cash flows used in operating activities	26(d)	**(513,612)**	(1,426,561)
Cash flows from investing activities			
Payments for bonds and security deposits		**(3,951,364)**	(44,592)
Refunds of bonds and security deposits		**38,874**	-
Funds provided by JV partner under Farm-in agreement		**3,177,980**	100,600
Payments for exploration and evaluation, including JV Farm-in spend		**(11,821,702)**	(6,462,120)
Payments for acquisition of White Dam		**(560,950)**	-
Payments for acquisition of tenements		**(2,228,397)**	(45,000)
Proceeds on sale of tenements		**578,488**	-
Proceeds on sale of investments		**1,573,196**	591,618
Payments to acquire property, plant and equipment		**(229,481)**	(792,539)
Net cash flows used in investing activities		**(13,423,356)**	(6,652,033)
Cash flows from financing activities			
Proceeds from the issue of shares		**7,400,000**	13,062,663
Share issue costs		**(431,748)**	(748,668)
Proceeds from the issue/exercise of options		**2,201,704**	-
Proceeds from borrowings		**30,184**	66,895
Repayment of borrowings		**(26,309)**	(3,176)
Repayment of lease liabilities		**(72,291)**	-
Proceeds from issue of convertible notes		**-**	-
Net cash flows provided by financing activities		**9,101,540**	12,377,714
Net increase/(decrease) in cash held		**(4,835,428)**	4,299,120
Cash and cash equivalents at the beginning of the financial year		**5,676,340**	1,382,072
Effect of foreign exchange on cash and cash equivalents		**(4,763)**	(4,852)
Cash and cash equivalents at the end of the financial year	26(a)	**836,149**	5,676,340

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

GBM Resources Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2022 comprises the Company and its subsidiaries (together referred to as 'the Group').

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and Interpretations. The financial report has also been prepared on an historical cost basis, unless otherwise stated. The financial report is presented in Australian dollars. For the purpose of preparation of the consolidated financial statements the Company is a for-profit entity.

Going Concern Basis for the Preparation of Financial Statements

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As at 30 June 2022, the Group has cash assets of $836,149, total current assets of $3,075,670 and total current liabilities of $3,262,685. The loss for the 2022 financial year was $642,341 and operating and investing cash outflows were $13,936,968. Notwithstanding the fact that the Company incurred an operating loss and has a working capital deficit, the Directors are of the opinion that the Company is a going concern for the following reasons:

- subsequent to the reporting date, the Company entered into a $10 million secured convertible note facility with notes convertible at 8.75 cents, a substantial premium to the share price at the time of the agreement. The notes are available for drawdown in two $5 million tranches and have a 3 year term;
- subsequent to the reporting date, the Company raised approximately $2 million (before costs) from the exercise of options and share placements with sophisticated and institutional investors, with a further $0.3 million in firm commitments.
- expenditure on future exploration activity is largely discretionary and is entirely dependent on available cash.

The Directors will continue to manage the Group's activities with due regard to current and future funding requirements. The directors reasonably expect that the Company will be able to raise sufficient capital to fund the Group's exploration and working capital requirements if required, and that the Group will be able to settle debts as and when they become due and payable.

The Group's ability to continue as a going concern and meet future working capital requirements is dependent on the above points being realised. Should the Company not be successful in generating the required cash flows, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Adoption of New and Revised Standards - Changes in accounting policies on initial application of accounting standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group for the reporting year ended 30 June 2022. There are no material new or amended Accounting Standards which will materially affect the Group.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Statement of Compliance

The financial report was authorised for issue on 30 September 2022.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of GBM Resources Limited and its subsidiaries as at 30 June each year (the Group). The financial statements for the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which the control is transferred out of the Group.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition. Non-controlling interests represent the portion of profit and loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position.

d) Revenue Recognition

Revenue is recognised to the extent that control has passed and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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

Management Fees
Revenue from farm-in management fees is recognised at the time the fees are invoiced for services rendered.

Gold Sales
With the sale of gold bullion, control is determined to occur when physical bullion from a contracted sale is transferred from the Company's account into the account of the buyer. Revenue from gold sales is recognised at this point.

e) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are re-assessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

f) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

g) Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method. Borrowing costs are expensed as incurred and included in net financing costs, where there is no qualifying asset.

h) Leases

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 Group'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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Right-of-use asset

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 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 Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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

i) Cash and Cash Equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j) Trade and Other Receivables

Trade receivables, which generally have 30–90 day terms, are recognised at fair value and then are subsequently measured at amortised cost and carried at original invoice amount less an allowance for any expected credit loss. The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due. Bad debts are written off to the allowance when the debt is considered uncollectible.

k) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on a weighted average basis and includes all costs incurred, based on a normal production capacity, in bringing each product to its present location and condition. Cost of inventories comprises direct labour, materials, contractor expenses, depreciation and an allocation of overhead. Net realisable value is the estimated future sales price of the product produced based on the estimated gold and copper price less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Plant and Equipment

Plant and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Property and improvements	10 – 40 years
Office furniture and equipment	2.5 - 20 years
Plant and equipment	0 - 40 years
Motor Vehicles	8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

(ii) Derecognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognised.

m) Financial Instruments

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

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

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value hierarchy

All assets and liabilities measured at fair value are classified using a three level hierarchy based on the lowest level of input that is significant to the entire fair value measurement, being Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date and is based on the fair value hierarchy

Impairment of financial assets

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

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

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

n) Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

o) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a re-valuation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a re-valuation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

p) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

q) Interest Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised.

Where borrowings contain a conversion option and the number of shares to be issued is fixed the amount of borrowing is initially recognised at fair value of a similar liability that does not have an equity conversion option. The equity conversion feature is the residual. Subsequently the borrowing is measured at amortised cost and the equity portion is not remeasured.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Employee Benefits

(i) Wages, Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and non-accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

s) Share Based Payments

Equity Settled Transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by using a Black and Scholes model. Share rights are valued at the underlying market value of the ordinary shares over which they are granted unless they contain market conditions in which case such rights are valued using an appropriate valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of GBM Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit to the consolidated statement of profit or loss and other comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, the cumulative expense recognised in respect of that award is transferred from its respective reserve to accumulated losses. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Share 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.

u) Earnings Per Share

Basic earnings/loss per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion, by the weighted average number of ordinary shares and potential dilutive ordinary shares, adjusted for any bonus element.

v) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 9, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

w) Provision for Restoration and Rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

x) Parent Entity Financial Information

The financial information for the parent entity, GBM Resources Limited, disclosed in Note 34 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

y) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Accounting for capitalised mineral exploration and evaluation expenditure

The Group's accounting policy is stated at 1(n). A regular review is undertaken of each area of interest to determine the reasonableness of continuing to carry forward costs in relation to that area of interest.

Share based payments

The Group uses independent advisors to assist in valuing share based payments.

Estimates and assumptions used in these valuations are disclosed in the notes in periods when these share based payments are made.

Rehabilitation Provision

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

y) Critical Accounting Estimates and Judgements (continued)

Business Combinations

As disclosed in Note 22(a), during the year the Group completed the acquisition of 100% of the White Dam Project which was previously an interest in a joint operation. Management has determined based upon its assessment that the transaction constitutes a business combination as the acquiree constitutes a business. Accordingly, AASB 3 Business Combinations has been applied with respect to the accounting for the transaction. In addition, management have performed an assessment to determine the fair value of the consideration and the previously held interest in relation to the acquisition, the fair value of the net identifiable assets acquired and any resulting goodwill/bargain purchase. Management also engaged independent experts to assist with the determination of the fair value of the net assets acquired.

Provision for Royalty

Under the acquisition of the White Dam Project (refer Note 22(a)), the consideration payable by the Group includes $2,355,619 of future royalties payable on the JORC resources forming the White Dam Project. The independent valuation undertaken made a number of assumptions including those on production parameters, revenue received from production and discount rates. Actual royalties incurred in future periods could differ materially from the estimate.

z) Government assistance and grants

Assistance received from the government by way of grant or other forms of assistance designed to provide an economic benefit to the Group, is presented in the statement of financial position as deferred income, in instances where the grant is related to assets. In all other cases, grant money is presented in the profit and loss as other income. Grants are recognised when there is reasonable assurance that conditions will be complied with and the grant will be received.

aa) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group considers the White Dam Production Joint Venture as a joint operation and has recognised its share of jointly held assets, liabilities, revenue and expenses. These have been incorporated in the financial statements under the appropriate classifications up until 31 July 2021 at which time the Group acquired the White Dam Project. Refer to Note 22 (a).

2. FINANCIAL RISK MANAGEMENT

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from transactions with customers and investments.

Trade and other receivables

The current nature of the business activity does not result in trading receivables. The receivables that the Group recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from the Australian Taxation Office and interest receivable. The risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Group's primary banker is Commonwealth Bank. At balance date all operating accounts and funds held on deposit are with this bank. The Directors believe any risk associated with the use of only one bank is mitigated by its size and reputation. Except for this matter the Group currently has no significant concentrations of credit risk.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Currency risk

The Group is not exposed to any currency risk other than the respective functional currencies of each Company within the Group, the Australian dollar (AUD).

Interest rate risk

The Group is not exposed to significant interest rate risk and no financial instruments are employed to mitigate risk (Note 24 – Financial Instruments).

Equity price risk

The Group was not exposed to any material equity price risk during the financial year (Note 24 – Financial Instruments).

(d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in (b).

3. SEGMENT REPORTING

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group has two operating segments, these being is mineral exploration and resource development within Australia and production of minerals in Australia.

3. SEGMENT REPORTING (CONTINUED)

The following tables present revenue and profit information and certain asset and liability information regarding operating segments.

30 June 2022	Mineral Exploration $	Mineral Production $	Consolidated $
Interest income	15,555	-	**15,555**
Other income	3,100,812	5,053,977	**8,154,789**
Segment income	3,116,367	5,053,977	**8,170,344**
Segment expenses	(5,209,053)	(3,603,632)	**(8,812,685)**
Segment profit/(loss)	(2,092,686)	1,450,345	**(642,341)**
Current assets	1,999,266	1,076,404	**3,075,670**
Non-current assets	47,792,183	4,837,552	**52,629,735**
Current liabilities	(2,734,199)	(528,486)	**(3,262,685)**
Non-current liabilities	(9,667,147)	(4,330,868)	**(13,998,015)**
Net assets	37,390,103	1,054,602	**38,444,705**
30 June 2021			
Interest income	9,407	-	**9,407**
Other income	3,130,153	1,460,014	**4,590,167**
Segment income	3,139,560	1,460,014	**4,599,574**
Segment expenses	(3,310,881)	(1,020,842)	**(4,331,723)**
Segment profit/(loss)	(171,321)	439,172	**267,851**
Current assets	6,612,595	1,032,548	**7,645,143**
Non-current assets	30,449,321	-	**30,449,321**
Current liabilities	(2,005,292)	(409,225)	**(2,414,517)**
Non-current liabilities	(6,339,516)	-	**(6,339,516)**
Net assets	28,717,108	623,323	**29,340,421**

	Note	Consolidated 2022 $	Consolidated 2021 $
4. OTHER REVENUE AND OTHER GAINS/LOSSES			
Other Revenue			
Gain on disposal of exploration assets [1]		**2,808,396**	2,813,622
Gain on disposal of investments		**4,087**	1,657
Joint venture management fee		**237,952**	75,924
Government grant income		**-**	234,000
Option fee income for Mayfield Project sale		**40,000**	-
Other income		**10,377**	4,950
		3,100,812	3,130,153

[1] 2022: Gain on disposal of Brightlands Milo tenement. (2021: Gain on disposal of a 50% interest on the Malmsbury Gold Project). Refer Note 22(e).

		Consolidated	
	Note	**2022** **$**	2021 $
5. EXPENSES			
Employee expenses			
Gross employee benefit expense:			
Wages and salaries		**3,247,680**	1,273,571
Directors' fees		**487,521**	504,218
Superannuation expense		**351,648**	159,272
Share based remuneration		**141,195**	351,668
Other employee costs		**185,449**	46,225
		4,413,493	2,334,954
Less amount allocated to production		**(1,056,004)**	-
Less amount allocated to exploration		**(2,683,402)**	(1,551,227)
Net consolidated statement of profit or loss and other comprehensive income employee benefit expense		**674,087**	783,727
Depreciation expense:			
Property and improvements	12	**2,645**	2,645
Office equipment and software	12	**39,280**	32,620
Site equipment	12	**70,295**	30,523
Motor vehicles	12	**17,527**	2,978
Buildings	12	**72,635**	-
Mine properties	12	**74,155**	61,796
Right-of-use asset	11	**77,545**	-
		354,082	130,562
Other costs:			
Unallocated exploration costs expensed		**445,900**	953,108
Impairment of SART plant on independent valuation. Refer Note 22(a).		**405,277**	-

Consulting and professional services expenditure includes share-based payments of $nil (2021: $57,103).

	Note	Consolidated 2022 $	2021 $
6. INCOME TAX			
a) **Income tax recognised in profit or loss**			
The prima facie tax benefit on the operating result is reconciled to the income tax provided in the financial statements as follows:			
Accounting profit/(loss) before income tax from continuing operations		**(642,341)**	267,851
Income tax expense/(benefit) at 25% (2021: 26%)		**(160,585)**	69,641
Non-deductible share based payments		**62,829**	106,280
Non-assessable income		**(304,207)**	(13,000)
Non-deductible costs		**1,755**	-
Capital raising costs claimed		**(76,081)**	(63,276)
Plant and equipment		**75,274**	-
Unrealised movement in fair value of financial assets		**619,483**	94,540
Unused tax losses and temporary differences not brought to account		**(218,468)**	(194,185)
Income tax (benefit) reported in the consolidated statement of profit or loss and other comprehensive income		**-**	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% (2021: 26%) payable by Australian corporate entities on taxable profits under Australian tax law.

	Consolidated 2022 $	2021 $
b) Unrecognised deferred tax assets and liabilities		
The following deferred tax assets and liabilities have not been brought to account:		
Unrecognised deferred tax assets relate to:		
Losses available for offset against future taxable income	**12,841,639**	10,057,409
Investments	**407,859**	-
Capital raising costs	**230,018**	172,065
Accrued expenses and leave liabilities	**71,234**	135,722
Rehabilitation provisions	**3,481,217**	1,636,986
	17,031,967	12,002,182
Unrecognised deferred tax liabilities relate to:		
Inventory	**(83,801)**	-
Property, plant and equipment	**(247,941)**	-
Exploration expenditure	**(8,186,163)**	(4,926,420)
	(8,517,905)	(4,926,420)
Net unrecognised deferred tax asset	**8,514,062**	7,075,762

The deductible temporary differences and tax losses do not expire under current tax legislation. Potential deferred tax assets attributable to tax losses carried forward have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future tax benefit as probable.

6. INCOME TAX (continued)

The potential future income tax benefit will only be obtained if:

I. the Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;
II. the Group companies continue to comply with the conditions for deductibility imposed by the law; and
III. no changes in tax legislation adversely affect the Group in realising the benefits.

	Consolidated	
	2022	2021
	$	$
7. EARNINGS/(LOSS) PER SHARE		
Profit/(loss) used in calculation of earnings/(loss) per share	**(642,341)**	267,851
	Cents	Cents
Basic earnings/(loss) per share	**(0.1)**	0.7
Diluted earnings/(loss) per share	**(0.1)**	0.7
	#	#
Weighted average number of shares used in:		
Calculation of basic earnings/(loss) per share	**495,181,256**	390,621,589
Calculation of diluted earnings/(loss) per share	**495,181,256**	409,860,204

Options and performance share rights

Options and share rights to acquire ordinary shares granted by the Company and not exercised at the reporting date have been included in the determination of diluted earnings per share to the extent to which they are dilutive. There are no options or share rights on issue at 30 June 2022 that are considered to be dilutive.

	Consolidated	
	2022	2021
	$	$
8. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	**5,427**	223,796
Refundable exploration costs[1]	**92,144**	452,366
GST recoverable	**146,112**	136,168
Other debtors	**-**	218,252
	243,683	1,030,582

[1] Amounts receivable from joint venture partners. (2021: Refundable from Novo Resources Corp in respect of exploration activities undertaken at the Malmsbury project since the exercise of the option).

There is no expected credit loss in relation to the trade and other receivables at the balance date. The carrying amount of trade and other receivables are assumed to approximate their fair values due to their short-term nature.

	Consolidated 2022 $	Consolidated 2021 $
9. INVENTORIES		
Copper on hand	**366,908**	538,667
Gold on hand	**525,547**	80,047
Reagents and consumables	**157,492**	54,940
	1,049,947	673,654

	Note	Consolidated 2022 $	Consolidated 2021 $
10. EXPLORATION AND EVALUATION EXPENDITURE			
Exploration and evaluation phase:			
Capitalised costs at the start of the financial year		**19,574,428**	10,848,146
Acquisition costs capitalised – Straits Gold PL		**-**	2,999,998
Acquisition costs capitalised – Tenements [1]		**460,000**	-
Acquisition costs capitalised – Twin Hills		**2,228,397**	-
Acquisition costs capitalised – White Dam [2]		**3,043,000**	-
Exploration and evaluation costs incurred (excluding joint venture costs incurred)		**10,030,704**	7,331,097
Capitalised rehabilitation costs (note 18)		**3,273,586**	464,694
Less: costs relating to tenements sold or to be sold		**(721,402)**	(1,116,399)
Less: previously capitalised costs written off [1]	5	**-**	-
Less: exploration costs not capitalised	5	**(445,900)**	(953,108)
Capitalised costs at the end of the financial year		**37,442,813**	19,574,428

[1] Fair value of shares issued to acquire exploration permit application EPM 27554 in the Drummond Basin from Yacimiento Pty Ltd and to acquire EPM17850 from Native Mineral Resources Pty Ltd.

[2] Fair value of exploration tenements and JORC resources at White Dam. Refer Note 22(a).

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or alternatively, sale of the respective areas.

11. RIGHT-OF-USE ASSET

	Note	Consolidated 2022 $	Consolidated 2021 $
Opening balance			-
Right-of-use asset additions		**253,784**	-
Depreciation expense		**(77,545)**	-
		176,239	-

The Group leases office space in Brisbane, Australia under an agreement for a term of 3 years.

	Note	Consolidated 2022 $	2021 $
12. PROPERTY, PLANT AND EQUIPMENT			
Carrying values at 30 June:			
Property and improvements:			
Cost		**193,117**	193,117
Depreciation		**(138,126)**	(135,481)
		54,991	57,636
Office equipment and software:			
Cost		**292,758**	281,499
Depreciation		**(246,965)**	(207,685)
		45,793	73,814
Site equipment and plant:			
Cost		**1,144,187**	611,824
Depreciation		**(231,958)**	(161,663)
		912,229	450,161
Motor vehicles:			
Cost		**279,840**	252,850
Depreciation		**(151,138)**	(133,611)
		128,702	119,239
Buildings:			
Cost		**2,264,000**	-
Depreciation		**(72,635)**	-
		2,191,365	-
Mine properties-			
Cost		**741,550**	741,550
Depreciation		**(135,951)**	(61,796)
Impairment		**(405,277)**	-
		200,322	679,754
Total		**3,533,402**	1,380,604

	Note	Consolidated 2022 $	2021 $
12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
Reconciliation of movements:			
Property and improvements:			
Opening net book value		**57,636**	60,281
Depreciation	5	**(2,645)**	(2,645)
Closing net book value		**54,991**	57,636
Office equipment and software:			
Opening net book value		**73,814**	1,158
Additions		**11,259**	105,276
Depreciation	5	**(39,280)**	(32,620)
Closing net book value		**45,793**	73,814
Site equipment and plant:			
Opening net book value		**450,161**	3,770
Additions		**532,363**	476,914
Depreciation	5	**(70,295)**	(30,523)
Closing net book value		**912,229**	450,161
Motor vehicles:			
Opening net book value		**119,239**	-
Additions		**26,990**	122,217
Depreciation	5	**(17,527)**	(2,978)
Closing net book value		**128,702**	119,239
Buildings			
Opening net book value		**-**	-
Additions		**2,264,000**	-
Depreciation	5	**(72,635)**	-
Closing net book value		**2,191,365**	-
Mine properties-Capital Work in Progress:			
Opening net book value		**679,754**	632,315
Additions		**-**	109,235
Depreciation		**(74,155)**	(61,796)
Impairment	5	**(405,277)**	-
Closing net book value		**200,322**	679,754
Total		**3,533,402**	1,380,604

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	Consolidated 2022 $	Consolidated 2021 $
Balance at the start of the financial year		**3,516,640**	794,833
Investments acquired - Novo [1]		**-**	3,688,367
Investments acquired – Consolidated Uranium [2]		**2,287,075**	
Shares transferred [3]		**(110,120)**	(13,338)
Disposal of investments [4]		**(1,581,022)**	(589,607)
Loss on investment recognised through profit or loss[5]		**(2,477,931)**	(363,615)
Balance at the end of the financial year		**1,634,642**	3,516,640

[1] Fair value of fully paid ordinary shares received from Novo Resources Corp (Novo), a TSX-V listed company.

[2] Fair value of fully paid ordinary shares received from Consolidated Uranium Inc. (a Canadian company listed on TSXV: CUR) as part consideration for the Milo Project. Refer Note 22(e).

[3] Shares transferred to suppliers as consideration for services received.

[4] The fair value of shares sold.

[5] Adjustment to carrying value of investment in shares based on TSX closing price and the AUD/CAD exchange rates at 30 June for each reporting period. The loss on the investment has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Investments designated at fair value through profit or loss have been measured at Level 1 in the fair value hierarchy. Refer to accounting policy at Note 1(m).

14. BONDS AND SECURITY DEPOSITS

	Note	Consolidated 2022 $	Consolidated 2021 $
Environmental bonds and security deposits for:			
Mount Coolon Gold Project		**1,238,000**	765,806
Yandan Project		**5,077,151**	5,077,151
White Dam		**1,940,000**	-
Twin Hills		**1,467,656**	-
Other		**119,832**	89,692
		9,842,639	5,932,649

15. TRADE AND OTHER PAYABLES

	Note	Consolidated 2022 $	2021 $
Current			
Unspent funds received from farm-in partner		**334,651**	-
Acquisition costs payable[1]		**12,500**	12,500
Trade creditors[2]		**1,934,172**	1,798,741
Sundry creditors and accruals		**400,234**	533,208
Employee liabilities		**148,645**	49,774
Share subscription liability		**24,525**	-
Royalty payable		**59,563**	-
		2,914,290	2,394,223

[1] Acquisition costs payable to Drummond Gold Limited pursuant to the acquisition of Mt Coolon Gold Mines Pty Ltd.

[2] Trade payables are non-interest bearing and are normally settled on 30 day terms.

16. LEASE LIABILITIES

	Note	Consolidated 2022 $	2021 $
Current		**84,033**	-
Non-current		**97,460**	-
		181,493	-
Opening balance		**-**	-
Increase in liability on new lease		**253,784**	-
Principal repayments		**(72,291)**	-
Lease liabilities at the end of the period		**181,493**	-

During the current financial year, $7,019 interest expense on leases was recognised in the Statement of Profit or Loss and Other Comprehensive Income.

17. BORROWINGS

	Note	Consolidated 2022 $	2021 $
Current		**32,344**	20,304
Non-current		**35,250**	43,415
		67,594	63,719
Balance at the start of the financial year		**63,719**	705,833
Proceeds from drawdown		**30,184**	66,895
Principal and Interest repayments		**(26,309)**	(709,009)
Balance at the end of the financial year		**67,594**	63,719

[1] The Company has entered into loan agreements to finance vehicles/mobile equipment at the White Dam project. The loans have a term of 3 years and are secured over the assets financed. The net book value of these assets is $64,357 (2021: $74,669).

		Consolidated	
	Note	**2022** **$**	2021 $
18. PROVISIONS			
Non-current			
Rehabilitation provision[1]		**11,509,687**	6,296,101
Royalty provision[2]		**2,355,618**	-
		13,865,305	6,296,101

[1] During the current financial year, $1,467,656 and $1,940,000 was recognised as provision for rehabilitation on the acquisition of Twin Hills and White Dam projects respectively. The provision is based on the value of environmental bonds lodged with the relevant government departments. In addition, the rehabilitation provision for the Yandan Project was increased by approximately $1.8m to a total of $6,883,079 (refer Note 33).

[2] Provision for royalty payments on the acquisition of the White Dam Gold Copper Project. Refer to Note 22(a).

	Issue price	**2022 No.**	2021 No.	**2022 $**	2021 $
19. ISSUED CAPITAL					
Issued capital at the balance date		**522,928,466**	433,246,182	**62,217,473**	53,575,033
Movements in issued capital:					
Balance at the start of the year		**433,246,182**	225,038,134	**53,575,033**	36,986,753
Shares issued to acquire subsidiary[1]		**-**	22,222,222	**-**	3,000,000
Share placement	$0.055	**-**	46,407,371	**-**	2,552,405
Entitlement issue	$0.055	**-**	55,884,212	**-**	3,073,632
Share placement	$0.135	**-**	55,407,407	**-**	7,480,000
Shares issued in lieu of payment for services[2]		**-**	2,022,249	**-**	205,247
Share placement		**74,000,000**	-	**7,400,000**	-
Shares issued to acquire tenements[3]		**3,562,500**	-	**460,000**	-
Shares on exercise of options		**11,989,349**	553,254	**1,199,188**	60,858
Shares on exercise of rights		**130,435**	2,378,000	**15,000**	252,038
Shares issued on convertible note exercise[4]		**-**	23,333,333	**-**	700,000
Share issue costs		**-**	-	**(431,748)**	(735,900)
Balance at the end of the reporting year		**522,928,466**	433,246,182	**62,217,473**	53,575,033

[1]2021: shares issued at 13.5 cents per share in consideration for the acquisition of a 100% interest in the issued capital of Straits Gold Pty Ltd.
[2] Shares issued to consultant in lieu of cash payment for services – 509,904 shares at 5.5 cents per share; 492,613 shares at 6.7 cents per share; 387,152 shares at 11.3 cents per share; 404,458 shares at 15.9 cents per share and 228,122 shares at 15.7 cents per share.
[3] Shares issued for the acquisition of exploration permit applications from Yacimiento Pty Ltd and an exploration tenement from Native Mineral Resources Limited.
[4] Shares issued on the conversion of a convertible note at 3 cents per share.

19. ISSUED CAPITAL (CONTINUED)

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

	2022 No.	2021 No.

20. OPTIONS

Details of the Company's Incentive Option Scheme are provided at Note 23.

(a) Options over unissued shares

Options on issue at the balance date	**120,696,052**	80,746,765
Movements in options:		
Options on issue at the start of the year	**80,746,765**	25,954,152
Cancelled during the year	**-**	-
Issued to directors	**-**	300,000
Options issued [1]	**51,083,636**	51,145,867
Options issued pursuant to the employee incentive plan (Note 23)	**855,000**	3,900,000
Options exercised	**(11,989,349)**	(553,254)
Options on issue at the end of the reporting year	**120,696,052**	80,746,765

[1] Unlisted options exercisable at 7.5 cents each and expiring 30 November 2022 issued pursuant to a non-renounceable pro-rata entitlement offer.

(b) Option capital

	Note	**Consolidated**	
		2022 $	2021 $
Opening balance		**-**	-
Issue of options		**1,277,091**	-
Exercise of options		**(299,101)**	-
Closing balance		**977,990**	-

		Consolidated	
	Note	**2022**	2021
		$	$

21. RESERVES AND ACCUMULATED LOSSES

	2022 $	2021 $
Accumulated losses		
Opening balance	**(24,881,473)**	(25,149,324)
Transfer from option reserve on expiry of options	**-**	-
Net profit/(loss) attributable to the members of the Company	**(642,341)**	267,851
Closing balance	**(25,523,814)**	(24,881,473)
Share based payments reserve[1]		
Opening balance	**646,861**	362,913
Vesting expense of options/rights	**141,195**	535,986
Options/rights exercised during the year	**(15,000)**	(252,038)
Closing balance	**773,056**	646,861

[1] *Share based payments reserve*

The share based payments reserve represents the fair value of vested equity instruments issued as remuneration or consideration.

22. ACQUISITIONS AND DISPOSALS

a) Acquisition of the White Dam Project

At 30 June 2021, the Group held a 50% interest in the White Dam joint venture. Under the terms of the joint venture agreement, the Company had the option to acquire 100% of the White Dam Project (plant, equipment, tenements and environmental liabilities) for an exercise price of $500,000, a 2% royalty on any copper and gold production revenue and replacement of environmental bonds of $1,940,000.

The Group exercised this option and on 29 July 2021, Millstream Resources Pty Ltd, a subsidiary of the Company, acquired 100% of the ordinary shares of Exco Operations (SA) Pty Limited (“Exco”), Exco Resources Pty Ltd, Polymetals (White Dam) Pty Ltd (“PWD”) and Polymetals Operations Pty Ltd (“PO”) for a total consideration of $4,856,569 as shown in the table below. Exco and PWD hold the legal interest in the White Dam tenements, whilst PO is the manager and operator of the heap leach project.

Prior to the acquisition of the 100% interest, the Group recognised the following amounts in profit or loss in respect of its 50% interest in the production from the White Dam gold-copper joint venture up to 29 July 2021:

	29 Jul 2021 **$**	2021 $
Revenue from sale of gold	**504,334**	1,460,014
Company share of JV operational costs	**(444,626)**	(1,020,842)
Net income from joint venture activities	**59,708**	439,172

For the period from 30 July 2021 to 30 June 2022, the acquired business contributed revenues of $3,332,817 and an operating profit after tax of $638,796 to the Group (excluding bargain purchase and impairment losses). If the acquisition occurred on 1 July 2021, the full half-year contributions would have been revenues of $4,341,485 and profit after tax of $698,504.

22. ACQUISITIONS AND DISPOSALS (CONTINUED)

a) *Acquisition of the White Dam Project (Continued)*

Consideration	Fair value $
Cash (option fee and working capital adjustment)	560,950
Replacement of environmental bonds	1,940,000
Provision for royalty payable	2,355,619
Total consideration	**4,856,569**

Identifiable assets acquired and liabilities assumed	Fair value $
Assets	
Cash and cash equivalents	48,387
Trade and other receivables	350,581
Prepayments	38,451
Inventories-reagents & consumables	73,552
Environmental bonds	1,940,000
Plant and equipment	2,691,600
Exploration tenements and JORC resources	3,043,000
Total assets acquired	8,185,571
Liabilities	
Trade and other payables	-
Accrued expenses	(13,800)
Employee benefits	(158,376)
Rehabilitation provisions	(1,940,000)
Total liabilities assumed	(2,112,176)
Total identifiable net assets at fair value	**6,073,395**
Consideration received	4,856,569
Excess of consideration over net assets – bargain purchase	1,216,826

Measurement of Fair Values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Property, plant and equipment:
An independent valuation was undertaken. Due to the specialised and site-specific nature of the assets, the valuation methodology predominantly used was the depreciated replacement cost. Mobile plant and vehicles were valued based on market prices for similar items.

22. ACQUISITIONS AND DISPOSALS (CONTINUED)

a) *Acquisition of the White Dam Project (Continued)*

Exploration Assets:
An independent valuation was undertaken of the heap leach, mining leases and exploration licences. The valuation model utilised a combination of the Comparable Transactions, Comparable Enterprise Values, Discounted Cash Flows, Kilburn Geoscience Rating and Yardstick valuation methods to ascribe a technical value to the projects. The Group has recognised the exploration assets at the lower end of the valuation range.

Other Assets:
The fair value and gross contractual amounts receivable from trade and other receivables is $350,581. It is expected that the full contractual amounts can be collected.

The Group's operations are subject to specific environmental regulations. The Group has recognised a Rehabilitation provision of $1,940,000. The value of the provision has been based primarily on the value of environmental bonds lodged with the Department of Energy and Mining in South Australia.

Acquisition Related Costs
Any costs incurred in relation to the acquisition of White Dam have been included in the Statement of Profit or Loss and Other Comprehensive Income and total an amount of $5,000.

Other Matters
In scenarios where the net of the acquisition date amounts of the net assets acquired exceeds the fair value of the consideration transferred, AASB 3 Business Combinations requires the entity to reassess whether it has identified all of the assets acquired and liabilities assumed and then review the procedures used to measure the amounts recognized at acquisition date. Management confirms this process was performed including the value of the previously held equity interest held under paragraph 42A of AASB 3.

b) Acquisition of Exploration Permits

During the prior financial year, the Company entered into an agreement with Yacimiento Pty Ltd (YPL) to acquire exploration permit application EPM27554 and the abandonment of EPM27643 in the Drummond Basin for a non-refundable cash option payment of $45,000 and the issue of 2,000,000 ordinary shares in the Company. The option payment was made during the prior financial year and was capitalised in the financial statements. The transaction was completed in July 2021 with the Company issuing 2,000,000 ordinary shares to YPL at an issue price of 13 cents per share.

During the current financial year, the Company acquired Mount Morgan tenement EPM17850 from Native Mineral Resources Holdings Limited for a cash consideration of $35,000 plus the issue of shares in the Company to a total value of $200,000. EPM17850 will subsequently be sold to Australis Metals Pty Ltd, a wholly owned subsidiary Smartset Services Inc, as part of the sale of the Mount Morgan Project. Refer to Note 22 (c).

c) Sale of Mt Morgan Gold Project

During the prior reporting period the Group executed a binding Letter of Intent with Canadian (TSXV) listed company, Smartset Services Inc. (Smartset), for the sale of the Mt Morgan Gold-Copper Project for a script consideration of shares in Smartset. The transaction was subject to shareholder approval which was received on 30 November 2021.

At balance date, capitalised exploration and evaluation expenditure of $760,280, representing the capitalised carrying value of the Mt Morgan Gold Project, has been categorised on the Statement of Financial Position as assets-held-for-sale.

22. ACQUISITIONS AND DISPOSALS (CONTINUED)

Subsequent to the end of the financial year, the Company executed a definitive agreement setting out the terms and conditions of the sale. The Agreement sees the Company vending the Mt Morgan tenements (975 km^2) into Australis Metals Pty Ltd,, in exchange for 20,459,545 shares in Smartset (on a post planned 0.75:1 share consolidation basis). Smartset will also make a cash payment with respect to any amount expended by the Group on obtaining native title, landholder access and compensation agreements and on exploration expenditures, for Mt Morgan between the date of the signing of the Letter of Intent until transaction completion (to a maximum of C$282,500). In addition, Smartset (as a condition precedent) is to raise approximately C$8 million in new equity (at C$0.50 per share) to advance the exploration of Mt Morgan and other Australian Projects.

d) Sale of Mayfield Project

During the reporting period the Group executed an exclusive Option Agreement with C29 Metals Limited ("C29") for the sale of its Mayfield Project tenement EPM 19483. Under the terms of the Option Agreement, C29 had an exclusive option to conduct due diligence by payment an option fee of $20,000 and a second $20,000 when the Exploration Licence is renewed. Both these option payments were paid in the reporting period.

At balance date, capitalised exploration and evaluation expenditure of $185,611 representing the capitalised carrying value of the Mayfield Project tenement, has been categorised on the Statement of Financial Position as assets- held-for-sale.

Subsequent to the end of the financial year, and on exercise of the option, C29 paid the consideration consisting of a cash payment of $210,000 and 1,558,963 fully paid ordinary share in C29 which will remain in voluntary escrow for a period of 6 months.

e) Sale of Milo Project

In November 2021, the Group signed a definitive sale and purchase agreement with Consolidated Uranium Inc. (a Canadian company listed on TSXV: CUR) for the sale of Brightlands Milo tenement EPM14416. The first payment of CAD$500,000 was received on signing of the agreement. The completion payment, represented by the issue of 750,000 CUR shares was received in April 2022. The fair value of the shares at issue was $2,287,075.

23. SHARE BASED PAYMENTS

Details of the Company's incentive Performance Rights and Option Plan ("Plan"), under which performance rights and options are issuable to employees, directors and consultants are summarised below. Details of share rights and options issued to Directors and executives are set out in the Remuneration Report that forms part of the Directors' Report. The Plan was adopted and approved by shareholders at a General Meeting on 16 June 2020.

Incentive Options

Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Options over unissued shares are issued under the terms of the Plan at the discretion of the Board.

Options granted during the year

During the reporting period the Company issued 855,000 unlisted options under the Plan, exercisable at 18 cents each and expiring 31 October 2025. One third of the options vest on 15 November 2022, 15 November 2023 and 15 November 2024.

The options were valued using the Black-Scholes option model using the following inputs:

Date of grant	Number of options	Exercise price	Expiry period	Share price at grant	Risk free rate	Volatility	Valuation of options
9 Dec 2021	855,000	$0.18	4 Years	$0.125	0.93%	72%	$47,857

23. SHARE BASED PAYMENTS (CONTINUED)

The fair value of options is apportioned over the vesting period of the options. A total expense of $18,197 has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the financial year in respect of options vesting during the period.

In addition to the incentive options issued, a total of 51,083,636 unquoted loyalty options were issued as part of a non-renounceable pro rata entitlement offer.

Options exercised during the year
A total of 11,989,349 quoted entitlement options and loyalty options were exercised during the year to 30 June 2022.

Options cancelled during the year
During the year no unlisted options were cancelled upon termination of employment, or on the expiry of the exercise period.

Options on issue under the plan at balance date
The number of options issued under the Plan and outstanding over unissued ordinary shares at 30 June 2022 is 14,935,000 as follows.

Grant date	Exercise price	Expiry date	Balance at 30 June	Vested and Exercisable at 30 June
5 Feb 19	$0.085	31 Jan 23	1,880,000[1]	1,880,000
25 Nov 19	$0.05	16 Dec 22	8,000,000	8,000,000
15 Sep 20	$0.21	14 Sep 24	300,000	300,000
12 Feb 21	$0.18	11 Feb 25	2,000,000	2,000,000
29 Apr 21	$0.18	11 Feb 25	1,900,000	1,900,000
9 Dec 21	$0.18	15 Oct 25	855,000	-

[1] Prior to the consolidation of capital on a 10 for 1 basis, there were 18,800,000 options on issue at 9 cents. Following completion of the Entitlement Offer, and in accordance with ASX Listing Rule 6.22.2, the exercise price for each option was reduced from 9 cents to 8.5 cents.

Subsequent to balance date
Subsequent to the end of the financial year, 8,000,000 Plan options (and 329,200 loyalty options) were exercised. No Plan options were issued or cancelled subsequent to 30 June 2022.

Reconciliation of movement of options

Set out below is a summary of options granted under the plan:

	2022		2021	
	No.	**WAEP (cents)**	No.	WAEP (cents)
Options outstanding at the start of the year	**14,080,000**	**9.1**	9,880,000	5.8
Options granted during the year	**855,000**	**18.0**	4,200,000	17.1
Options outstanding at the end of the year	**14,935,000**	**9.6**	14,080,000	9.1

Weighted average contractual life
The weighted average contractual life for un-exercised options is 14.8 months (2021: 25.3 months).

23. SHARE BASED PAYMENTS (CONTINUED)

Performance Rights

Performance rights granted during the year

During the reporting period the Company issued 1,780,654 performance rights as shown in the table below. The performance rights have been recognised at the underlying share price at the date of grant.

Date of grant	Number of rights	Vesting Date	Expiry Date	Share price at grant	Valuation of options
23 Aug 2021	595,654	1 Mar 2022	26 Aug 2025	$0.115	$68,500
9 Dec 2021	395,000	15 Nov 2022	31 Oct 2025	$0.125	$49,375
9 Dec 2021	395,000	15 Nov 2023	31 Oct 2025	$0.125	$49,375
9 Dec 2021	395,000	15 Nov 2024	31 Oct 2025	$0.125	$49,375

The fair value of performance rights is apportioned over the vesting period of the rights. A total expense of $122,998 has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income in respect of performance rights vesting during the year.

The performance rights have no performance based vesting conditions. The performance rights will lapse on cessation of employment prior to the vesting or exercise dates.

During the reporting period, 130,435 shares were issued on the exercise of performance rights and no performance rights were cancelled.

Subsequent to balance date

Subsequent to balance date, 86,957 shares were issued on the exercise of performance rights.

24. FINANCIAL INSTRUMENTS

Credit risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made (note 2(a)).

Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Currency risk

The Group does not have any direct exposure to foreign currency risk, other than in respect of its impact on the economy and commodity prices generally (note 2 (c)).

24. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements (note 2(b)):

Consolidated	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $	More than 5 years $
30 June 2022							
Borrowings	**67,594**	**74,404**	**18,727**	**18,727**	**33,125**	**3,825**	**-**
Lease liabilities	**181,493**	**188,115**	**44,342**	**44,558**	**91,566**	**7,649**	**-**
Trade and other payables	**2,914,290**	**2,914,290**	**2,914,290**	**-**	**-**	**-**	**-**
	3,163,377	**3,176,809**	**2,977,359**	**63,285**	**124,691**	**11,474**	**-**
30 June 2021							
Borrowings	63,719	73,611	12,990	12,990	25,980	21,651	-
Trade and other payables	2,394,223	2,394,223	2,394,223	-	-	-	-
	2,457,942	2,467,834	2,407,213	12,990	25,980	21,651	-

Interest rate risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments were:

	Consolidated	
	2022 **$**	2021 $
Fixed rate instruments:		
Financial liabilities	**(249,087)**	(63,719)
	(249,087)	(63,719)
Variable rate instruments:		
Financial assets	**836,149**	5,676,340
	836,149	5,676,340

The Group is not materially exposed to interest rate risk on its variable rate investments.

24. FINANCIAL INSTRUMENTS (CONTINUED)

Fair values

Fair values versus carrying amounts
The carrying amounts of financial assets and liabilities not measured at fair value on a recurring basis, as described in the consolidated statement of financial position represent their estimated net fair value.

25. COMMITMENTS

(a) Exploration
The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements. These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

Minimum expenditure requirements for the following 12 months on the Group's exploration licences as at 30 June 2022, including licences subject to farm-in arrangements are approximately $4,179,000 (2021: $2,573,000).

(b) Lease Commitments

During the financial year, premises in Queensland and Victoria were leased on a month by month basis or under short term leases of 12 months or less. The Group has availed itself of the exemption in AASB 16 Leases to not capitalise these leases. An amount of $25,025 (2021: $32,500) has been expensed in relation to short term leases.

(c) Contractual Commitment

During the financial year the Group entered into a number of transactions that were not settled until after 30 June 2022. Refer to notes 22 and 32 for any commitments outstanding at 30 June 2022.

	Consolidated	
	2022	2021
	$	$

26. NOTES TO THE STATEMENT OF CASH FLOWS

a) Cash and cash equivalents

Cash at bank and on hand	**810,078**	5,650,272
Bank at call cash account	**26,071**	26,068
Total cash and cash equivalents	**836,149**	5,676,340

b) Cash balances not available for use

Included in cash and cash equivalents are amounts pledged as guarantees for the following:

Corporate credit card facility	**26,071**	26,068

c) Cash available for specific use
Included in cash and cash equivalents at 30 June 2022 is $334,651 relating to cash calls received in advance from farm in and joint venture partners. These funds are for specific use on tenements covered under the Malmsbury and Cloncurry Joint Venture agreements.

26. NOTES TO THE STATEMENT OF CASHFLOWS (CONTINUED)

	Consolidated 2022 $	2021 $
d) Reconciliation of Profit/(loss) from Ordinary Activities after Income Tax to Net Cash Used in Operating Activities		
Profit/(loss) after income tax	**(642,341)**	267,851
Add (less) non-cash items:		
Profit on sale of assets	**(2,808,396)**	(2,815,279)
Bargain purchase on acquisition of assets	**(1,216,826)**	-
Share based payments-employees	**141,195**	351,668
Share based payments-suppliers	**-**	57,103
Depreciation and impairment expenses	**759,359**	130,562
Fair value loss/(gain) on financial assets	**2,477,931**	363,615
Exploration expenditure written off, expensed and impaired	**445,900**	953,108
Changes in assets and liabilities:		
Increase/(decrease) in trade creditors and accruals	**386,020**	507,354
(Increase)/decrease in prepayments	**22,913**	(22,913)
(Increase)/decrease in inventories	**(376,293)**	(673,654)
(Increase)/decrease in sundry receivables	**296,926**	(545,976)
Net cash flows used in operations	**(513,612)**	(1,426,561)

27. AUDITOR'S REMUNERATION

	Consolidated 2022 $	2021 $
Amounts received or receivable by HLB Mann Judd for:		
- Audit and review of financial reports	**48,687**	39,873

	2022 %	2021 %
28. CONTROLLED ENTITIES		
Particulars in Relation to Ownership of Controlled Entities		
Belltopper Hill Pty Ltd	**100**	100
Syndicated Resources Pty Ltd	**100**	100
Willaura Minerals Pty Ltd	**100**	100
Isa Brightlands Pty Ltd	**100**	100
Isa Tenements Pty Ltd	**100**	100
Koala Quarries Pty Ltd	**100**	100
Mt Coolon Gold Mines Pty Ltd	**100**	100
Millstream Resources Pty Ltd	**100**	100
Straits Gold Pty Ltd	**100**	100
Polymetals Operations Pty Ltd	**100**	-
Polymetals (White Dam) Pty Ltd	**100**	-
Exco Operations (SA) Pty Limited	**100**	-
Exco Resources (SA) Pty Ltd	**100**	-

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in the note. Details of transactions between the Group and other related parties are disclosed in note 30.

29. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Details of Key Management Personnel

The following were key management personnel of the Group at any time during the year and unless otherwise stated were key management personnel for the entire year.

Non-Executive Director
Guan Huat Sunny Loh – Non-Executive Director
Peter Thompson – Non-Executive Director
Brent Cook – Non-Executive Director

Executive Directors
Peter Rohner – Managing Director
Peter Mullens – Executive Chairman

Total remuneration paid to key management personnel during the year:

	Consolidated	
	2022 $	2021 $
Short-term benefits	**541,502**	588,322
Post-employment benefits	**39,450**	225,961
Share based payments	**-**	35,355
	580,952	849,638

29. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

b) Other Transactions and Balances with Key Management Personnel

There are no other transactions with Directors, or Director related entities or associates, other than those reported in note 29 and note 30.

	Consolidated 2022 $	2021 $
30. RELATED PARTY TRANSACTIONS		
a) Total amounts receivable and payable from entities in the wholly-owned group (see Note 28 for details of controlled entities) at balance date:		
Non-Current Receivables		
Loans to controlled entities	**36,435,728**	23,030,571
Non-Current Payables		
Loans from controlled entities	**2,498,110**	1,280,622

b) Transactions with Directors

During the year, the Group incurred costs of $11,445 (2021: $20,060) with Core Metallurgy Pty Ltd an entity associated with Mr Peter Rohner, for project consulting fees relating to White Dam. At 30 June 2022, there was no amount owing (2021: $528) to Core Metallurgy Pty Ltd.

Office rent of $4,000 (2021: $12,000) was incurred with Ironbark Pacific Pty Ltd, an entity associated with Mr Peter Mullens. From 1 January 2022, Mr Mullens provided executive director services through Ironbark Pacific Pty Ltd and costs in relation to this have been included as part of director's remuneration in Note 29. At 30 June 2022, there was no amount owing to Ironbark Pacific Pty Ltd (2021: $nil).

31. DIVIDENDS

There are no dividends paid or payable during the year ended 30 June 2022 or the 30 June 2021 comparative year.

32. EVENTS SUBSEQUENT TO BALANCE DATE

Other than as stated below, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 12 July 2022, 23,269,262 ordinary shares in the Company were issued to institutional and sophisticated investors to raise approximately $1.26 million (before costs).
- In August 2022, the Company executed the Definitive Agreement setting out the terms and conditions or the sale of the Mt Morgan Gold Copper Project Tenements to Australis Metals Pty Ltd a wholly owned subsidiary of Smartset Services Inc, a listed Canadian company. Refer to Note 22(c).
- In August 2022, the Group received the consideration for the sale of the Mayfield Project which consisted of a cash payment of $210,000 and 1,558,963 fully paid ordinary shares in C29 Metals Limited. Refer to Note 22(d).
- In September 2022, the Company entered into an agreement to issue secured convertible notes up to $10 million to the Collins Street Convertible Note Fund, in two tranches of $5 million per tranche, subject to shareholder approval. The convertible notes attract interest at 10.5% per annum payable monthly in advance, are for a 3 year term and re convertible at 8.75 cents.
- In September 2022, the Company received firm commitments to raise $305,000 pursuant to a share placement at 5 cents per share.
- In September 2022, the Department of Environment and Science (DES) reviewed the estimated rehabilitation costs (ERC) for the Yandan Gold Mine and proposed an increase of the surety above the amount calculated by the Group. The Group is challenging this decision and on 26 September 2022, the Group lodged a request that the DES perform an internal review of its ERC calculation.
- Since the end of the financial year, 28,369,262 shares have been issued in relation to the events listed above, and 8,416,157 shares have been issued on the exercise of options and performance rights.

The impact of the coronavirus (COVID-19) pandemic is ongoing. The situation is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

33. CONTINGENCIES

(i) Contingent liabilities

Subsequent to year end, management lodged an updated Estimated Rehabilitation Cost (ERC) with the Department of Environment and Science (DES) for the Yandan Project of $6,883,079. On 23 September 2022, the DES proposed an increase in the ERC to $9,672,585. On 26 September 2022 the Group submitted an application for the DES to conduct an internal review of their proposed increase. Management is of the view that the value determined in the initial ERC of $6,883,079, which is based upon the assessment of independent experts, correctly reflects the rehabilitation costs of the Group for the Yandan Project and this amount has been recorded at balance date as a provision.

Other than the above, the Group has no contingent liabilities outstanding at the end of the year.

(ii) Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Group has an interest. The Group 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 Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

(iii) Contingent assets

There were no material contingent assets as at 30 June 2022 or 30 June 2021.

34. PARENT ENTITY INFORMATION

	2022 $	2021 $
Financial position		
Assets		
Current assets	**1,651,468**	6,605,767
Non-current assets [1]	**39,700,653**	24,783,548
Total Assets	**41,352,121**	31,389,315
Liabilities		
Current liabilities	**(2,766,541)**	(2,005,479)
Non-current liabilities	**(140,875)**	(43,415)
Total Liabilities	**(2,907,416)**	(2,048,894)
NET ASSETS	**38,444,705**	29,340,421
Equity		
Issued capital	**62,217,473**	53,575,033
Option capital	**977,990**	-
Accumulated losses	**(25,523,814)**	(24,881,473)
Share based payment reserve	**773,056**	646,861
TOTAL EQUITY	**38,444,705**	29,340,421
Financial performance		
(Loss)/profit for the year	**(642,341)**	267,851
Other comprehensive income	**-**	-
Total comprehensive (loss)/income	**(642,341)**	267,851

[1] The Company has recognised a provision against the investment in subsidiary holdings to the extent that parent company net assets exceed those of the Group.

Contingent liabilities
For full details of contingent liabilities see Note 33.

Commitments
For full details of commitments see Note 25.

GBM Resources Limited

ABN 91 124 752 745

Directors' Declaration

For the Year Ended 30 June 2022

1. In the opinion of the Directors:

   a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year then ended; and

      ii. complying with Accounting Standards and Corporations Regulations 2001.

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c) the financial statements and notes are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

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

PETER MULLENS
Executive Chairman

Dated this 30th day of September 2022

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of GBM Resources Limited

Report on the Audit of the Financial Report

Opinion

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

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year 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 Group 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters 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
Carrying value of exploration and evaluation expenditure Refer to Note 10	
The Group has capitalised exploration and evaluation expenditure of $37,442,813 as at 30 June 2022. We considered this to be a key audit matter due to its materiality, the significant degree of audit effort and communication with management required and its importance to the users understanding of the financial statements.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - We considered the existence of any indicators of impairment with respect to the Group's areas of interest; - We obtained evidence that the Group has current rights to tenure of its areas of interest; - We substantiated a sample of additions to exploration expenditure during the year; - We reviewed the availability of tax losses to offset any deferred tax liability on capitalised exploration; - We considered whether classification as exploration remained appropriate with respect to the criteria of AASB 6; and - We examined the disclosures made in the financial report.
Accounting for the White Dam acquisition Refer to Note 22(a)	
During the financial year, the Group exercised its option to acquire the remaining 50% interest in the White Dam Project for total consideration of $4.9 million comprised of a cash payment of $0.5 million, a 2% royalty on copper and gold production and replacement of environmental bonds of $1.94 million. The Group previously held a 50% interest in the project accounted for as a joint operation. We considered this to be a key audit matter due to its complexity and materiality, the degree of audit effort and communication with those charged with governance, the estimation and judgement involved with the determination of the consideration and the acquired assets and liabilities and the importance for users' understanding of the financial statements.	Our procedures included but were not limited to the following: - We reviewed the relevant agreements to understand the key terms and conditions of the acquisition; - We reviewed the treatment of the acquisition under AASB 3 and whether it constituted a business combination or an asset acquisition; - We reviewed the work performed by management's experts and assessed their relevant experience, qualifications and the appropriateness of the methodologies used and relevant assumptions; - We ensured the consideration and net assets acquired had been correctly determined and considered the fair value of the Group's existing equity interest; and - We assessed the adequacy of the disclosures made within the financial statements.

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 Group's annual report for the year 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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 Group'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 Group'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 Group 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 year ended 30 June 2022.

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

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
30 September 2022