




ASX: FRS

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

ACN 647 899 698



 www.forrestanioresources.com.au

 Forrestania Resources Ltd

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Corporate Directory

Directors

John Hannaford	Non-Executive Chairman
David Izzard	Non-Executive Director
William Higgins	Non-Executive Director

CEO

Angus Thomson

Company Secretary

Cecilia Tyndall

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Auditor

Hall Chadwick WA Audit Pty Ltd
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Stock Exchange Listing

Australian Securities Exchange (**ASX**)

ASX Code: FRS

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Directors' Report 30 June 2022

The Directors of Forrestania Resources Limited (the "Company" or "Forrestania") present their report on the consolidated entity (the "Group") consisting of Forrestania Resources Limited and its subsidiaries for the period ended 30 June 2022.

Directors

Qualifications, Experience and Special Responsibilities of Directors

John Hannaford – Non-Executive Chairman

Appointed 12 February 2021

Mr Hannaford is an experienced company director and executive with extensive experience as a director of ASX listed companies, including Chairman. A qualified Chartered Accountant and Fellow of the Securities Institute of Australia, he has founded and listed several companies on the ASX. He has also advised numerous companies through the ASX listing process in his corporate advisory career. He has established an extensive corporate network and gained a highly distinguished reputation over the last twenty years of corporate life in Australia.

Mr Hannaford is a substantial shareholder of Forrestania Resources Limited.

Other current directorships

Mt Monger Resources Ltd (Chairman)
Voltaic Strategic Resources Ltd
Kula Gold Ltd

Special responsibilities

Chairman
Risk & Audit Committee Member

Former directorships in the last three years

Hardey Resources Ltd (Retired 27 September 2019)

Interests in shares and options

4,037,500 shares
4,250,000 options (expiry date 27/06/25 exercise price \$0.30)
1,012,500 options (expiry date 21/09/25, exercise price \$0.30)

David Izzard – Non-Executive Director

Appointed 12 February 2021

Mr Izzard is an experienced finance executive and director with over 15 years' experience in the mining industry. He has a strong knowledge of mining operations, financing and project management. Over the last three years he has been involved in identifying economical mining projects and executive teams to execute and operate projects.

David is a qualified accountant and has an MBA and a Master of Mineral Economics from Curtin University.

Mr Izzard is a substantial shareholder of Forrestania Resources Limited.

Other current directorships

Mt Monger Resources Ltd

Special responsibilities

Risk & Audit Committee Member

Former directorships in the last three years

Hardey Resources Ltd (Retired 14 August 2019)

Interests in shares and options

4,450,000 shares
4,250,000 options (expiry date 27/06/25 exercise price \$0.30)
1,012,500 options (expiry date 21/09/25, exercise price \$0.30)

William Higgins – Non-Executive Director

Appointed 3 June 2021

William has more than a decade of experience as a geologist across multiple commodities, with a specialised expertise in gold exploration. He has identified the potential and planned exploration leading to significant gold discoveries in Western Australia, including Northern Star Resources' Ramone mine located in the Eastern Goldfields region, and multiple economic discoveries and resource advancements in the Southern Cross Region.

Mr Higgins is a member of AIG with a Bachelor of Science Degree, majoring in Geology from University of Canterbury. He is an independent Director of the Company

Other current directorships

None

Special responsibilities (Forrestania Resources Ltd)

None

Former directorships in the last three years

None

Interests in shares and options

1,425,000 shares
2,000,000 options (expiry date 27/06/25 exercise price \$0.30)
312,500 options (expiry date 21/09/25, exercise price \$0.30)

Angus Thomson

Appointed 2 February 2022

Mr Thomson is a geologist who started his career as an underground mine geologist with BHP at the Cannington mine in 1997, moving to WMC as a business analyst at Nickel West in 2005. He held a number of senior business development roles with Panoramic Resources from 2007 to 2015. Mr Thomson has also held a position as Director Corporate Finance (Technical) with a WA based Corporate Finance firm. Mr Thomson has many years of experience in the resources industry with skills across project review, operations, business & corporate development.

Cecilia Tyndall – Company Secretary

Appointed 2 February 2022

Cecilia is an experienced chartered accountant having had a variety of CFO and Company Secretary roles with ASX listed companies with over 20 years' experience in resources and industrial sectors.

Cecilia is a member of Chartered Accountants Australia and New Zealand and the Governance Institute of Australia.

Principal Activities

The Company was established in February 2021 and the principal activities of the group during the financial year were the exploration of mineral tenements in Western Australia ("WA").

Dividends

No dividends have been declared, provided for or paid in respect of the period ended 30 June 2022.

Corporate and Financial Position

The Group's net loss from operations for the period was \$2,119,478.

At 30 June 2022, the Group had net current assets of \$1,530,511.

The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due.

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business (refer Note 1.6).

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through equity issues as and when the need to raise funds arises.

Business Strategies and Prospects

The group currently has the following business strategies and prospects over the medium to long term:

- (i) Seek to maximise the value of the group through successful exploration activities;
- (ii) Selectively expand the Group's portfolio of exploration assets; and
- (iii) Examine other new business development opportunities in the mining and resources sector.

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group which have not been disclosed elsewhere in this report.

The table below sets out information about Forrestania Group earnings and movements in shareholder wealth for the two years up to the current financial year.

	2022	2021
	\$	\$
NPAT(\$)	(2,119,478)	(205,584)
Share price at year end (\$)	0.12	0.00 ¹
Basic EPS	0.05	1.04
Total dividends per share	-	-

¹ The Company was not listed

Review of Operations

The following is a summary of the activities Forrestania Resources Limited during the period 1 July 2021 to 30 June 2022.

Corporate

The Forrestania Resources Limited ("the Company") completed a successful capital raising and was admitted to trading on the Australian Securities Exchange ("ASX") on the 28th of September 2021. The Company issued 25,000,000 shares under its initial public offer and completed the acquisition of the Forrestania Gold, Lithium and Nickel Project, the Southern Cross Gold Project, and Leonora Gold Project by the issue of a further 12,000,000 shares.

On 23 February 2022 the Company issued 48,804 fully paid shares to a tenement vendor pursuant to an Exclusive Option Deed to acquire Exploration Licence E77/2637.

Projects

During the reporting period, the Group has been active with exploration, orientation and evaluation work.

The on-ground work has predominantly focussed on the Forrestania tenements, with some activity at the Leonora Project in the Eastern Goldfields.

Activities included several mapping trips and geochemical surveys at the Forrestania and Leonora projects (including soil sampling programmes at Bounty East and Great Southern), a maiden RC drilling programme at Lady Lila, two Deep Ground Penetrating Radar (DGPR) surveys at Gemcutter and Crossroads, along with several environmental surveys completed at Gemcutter, Lady Lila, Black Prince and Bounty East. A heritage survey was undertaken at Bounty East and various heritage agreements were also entered into.

Lithium Exploration

South Iron Cap East

During the period, Forrestania Resources Limited (ASX:FRS) (**Forrestania** or the **Company**), completed reconnaissance exploration (mapping and soil sampling) at the South Iron Cap East prospect. Mapping identified a pegmatite outcrop located within the footprint of a previously identified tantalum soil anomaly (see *ASX:FRS release 21 March 2022*) that was based on broad sample lines ~800m apart.

The South Iron Cap East prospect is located at the southern end of the Forrestania Project within the prospective "Goldilocks" corridor, a key focus area for lithium exploration (see Figure 1).

The identified outcropping pegmatite within the tenement (E77/2346) is located close to the adjoining tenement boundary with Western Areas (subsequently acquired by IGO). This is significant due to its proximity to previously released Western Areas drill results from their South Iron Cap prospect which is ~1km to the west, where significant lithium mineralisation has been intersected in drilling with a best drill result of **50.6m @ 0.95%Li₂O** (see *ASX:WSA release 22 April 2016*).

Assays from the pegmatite sampled at South Iron Cap East returned an anomalous result for tantalum of 23.69ppm (see Table 1) (see *ASX:FRS release 23 May 2022*) which helps to confirm the historically identified tantalum soil anomaly in this area.

Sample	Sample type	Easting	Northing	RL	Ta (ppm) (4A_ICPMS)	Comment
FR001198	Rock chip	760,821	6,380,985	453	23.69	Weathered pegmatite outcrop

Table 1: Rock chip result from South Iron Cap East

Results from an infill soil sampling program completed at South Iron Cap East were also received during the period. The infill program was successful in providing better definition of the interpreted tantalum soil anomaly which is now evident over an area measuring ~2km x ~0.6km. The infill sampling has highlighted multiple "hot spots" within the soil anomaly with values up to

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30.52ppm Ta being recorded. The tantalum soil anomaly is broadly coincident with other lithium pathfinder elements at the prospect (see ASX:FRS release 23 May 2022).

A Programme of Work (POW) has been approved for the South Iron Cap East prospect, with initial planning for a drill program underway (see ASX:FRS release 10 June 2022), a heritage survey is also being scheduled for Q4.

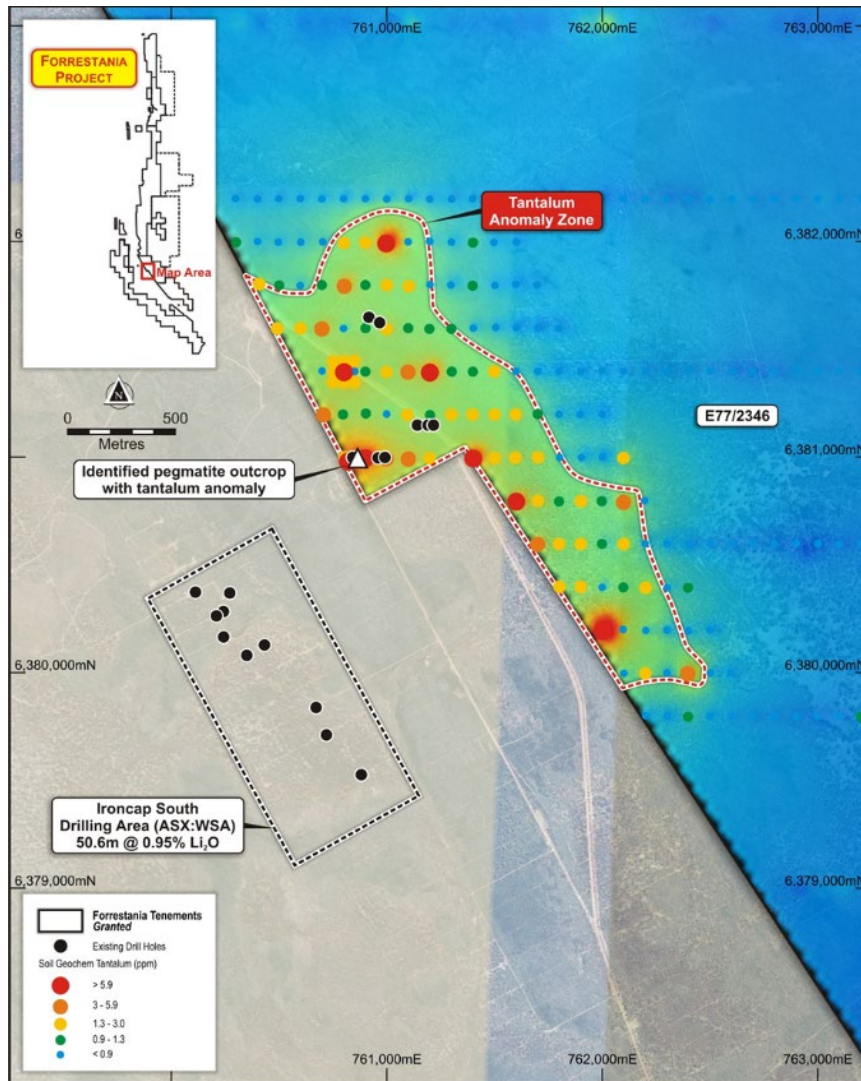


Figure 1: South Iron Cap East prospect showing Tantalum soil anomaly and location of outcropping pegmatite

Gemcutter

The Gemcutter prospect is home to the historic Gem mine and the Giant pegmatite. Historically, the tenement has returned strong lithium drilling results, including GPRC06 - 34m @ 3.1% Li₂O which was drilled by Marindi Metals/Firefly Resources (see ASX:MZN release 20 December 2016).

High grade lithium rock chips were confirmed by Marindi Metals/Firefly Resources in 2016, with historical grades including - 6.2% Li₂O (GEM_23), 5.94% Li₂O (GEM_91) and 3.96% Li₂O (Gem_11251) (see ASX:MZN release 10 November 2016).

During the period a mapping and rock chipping programme was completed in conjunction with a Deep Ground Penetrating Radar (DGPR) survey across the Gemcutter prospect. Strong results for lithium, caesium and rubidium were returned from a number of rock chips, including: FR001063 – 3.21% Li₂O, FR000016 – 17914ppm Rb and FR001035 – 142ppm Cs (see ASX:FRS release 14 January 2022).

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Directors' Report 30 June 2022

The majority of the high-grade rocks chips are centred on the Gem mine in the south of the tenement which has had limited modern day exploration (see ASX:FRS release 9 December 2021). The rock chips are supported by anomalous lithium and pathfinder results from a previously unassayed diamond drill hole, GCDD0001, that was drilled at the Gem Pegmatite prospect in 2019. The hole was designed to follow up on gold mineralisation recorded in hole GPRC041 (see ASX:MZN release 28 October 2019). GCDD0001 was logged, cut and sampled by Forrestania Resources during the period.

Results from GCDD0001 include:

- 2m @ 0.4% Li₂O and 277ppm Ta from 86.5m
- 1.1m @ 10,082ppm Cs from 98m

Mineralisation intersected within GCDD0001 is logged as occurring within a sheared fault zone and the mineralisation is interpreted to be associated with metasomatic alteration and/or pegmatite fragments caught up within the fault. The lithium anomalism within GCDD0001 is viewed as significant as the hole is located ~110m from the Gem Pegmatite mine where anomalous lithium values have been reported from historic pegmatite intersections (see Figure 2 and ASX:FRS release 6 September 2022).

RAB drilling carried out at the Gem Pegmatite mine in the 1980's intersected intervals of mineralised pegmatite containing low level anomalous lithium (see ASX:MZN release dated 10 November 2016). The historic intercepts are located within the weathered profile and due to the depth limitations of RAB drilling the pegmatites were not effectively tested at depth.

Several of the historic pegmatite intercepts have not been closed out, so the Gem Pegmatite remains open laterally and at depth (see Figure 3). The Gem Pegmatite was mined in the 1980's for tantalum and gem grade tourmaline and beryl, mining was carried out to a depth of approximately 18m.

A programme of works has been approved for drilling, which is scheduled for Q4, 2022. An environmental survey has also recently been completed to assist with an additional PoW application over the broader area.

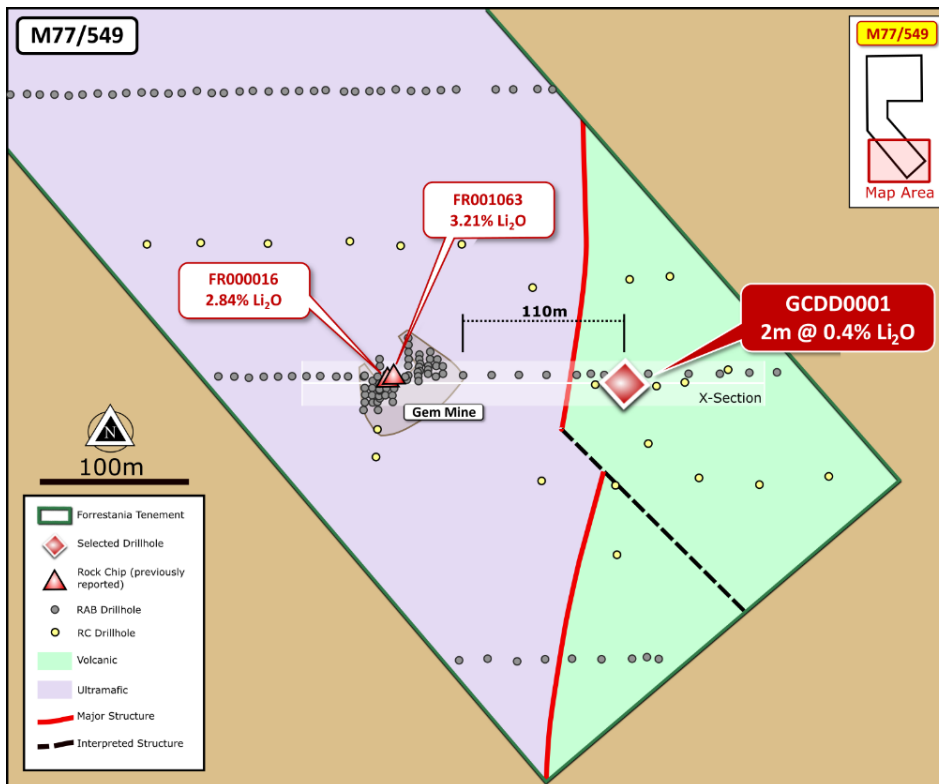


Figure 2: Gem Pegmatite plan view and location of Figure 2 cross section (see ASX:FRS release 5 September 2022)

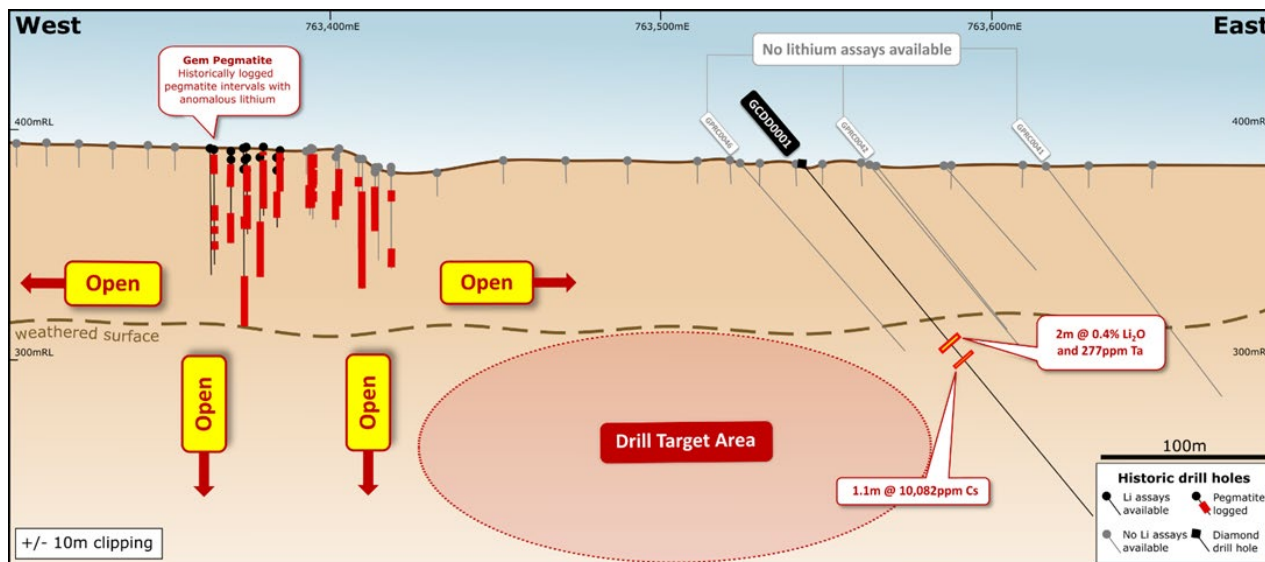


Figure 3: Gem Mine target area (part of the broader Gemcutter prospect) (see ASX:FRS release 5 September 2022)

Mt Holland/Bounty East

Forrestania's ongoing review of the available historical exploration data has confirmed the Bounty East area as a high priority lithium target zone. Work completed by the Company's specialist lithium consultant, Dr Leigh Bettenay, during the period, has allowed a number of significant interpretations to be made at the Mt Holland/Bounty East prospect (E77/2345). (see ASX:FRS release 12 January 2022).

In late 2017 and early 2018, Marindi Metals/Firefly Resources (ASX:FFR) drilled 306 air core holes for 8,813m and 35 RC holes for 3,750m in the area. The geochemical results from this drilling programme have been reviewed and results of this review were announced by the Company on 2 December 2021 which confirmed the strong prospectivity and potential of the Mt Holland/Bounty East area.

The Marindi Metals/Firefly Resources geological logging suggests that the holes located at the eastern extent of the drilling intersected predominantly greenstones. Logged rock types include basalts and schists, with some pegmatites and this potentially moves the accepted location of the greenstone contact approximately 1.5km further east. The interpretation of the greenstone/granite contact extending further east than previously thought has major implications for the lithium exploration potential. The "ideal" distance from a granite/greenstone contact is "conventionally" thought to be between one to four kilometres - the "Goldilocks Zone". The Company's tenement portfolio includes approximately 100km of strike extent along the Forrestania granite/greenstone contact.

Lithium-Caesium-Tantalum, or "LCT" pegmatites, are sourced from "fertile" parent granites and the physical distance from the parent granite may influence the distribution of, or zonation of these elements.

The historic drilling, as outlined in the Company's announcement of 2 December 2021 suggests strong potential for gently dipping pegmatites at the Mt Holland/Bounty East prospect (Figure 4). These pegmatite structures are regionally found in sills, with the wider and high-grade lithium found at depth. Much of the lithium found in the upper saprolite is likely to be low grade and the "pegmatophile" (pathfinder) elements are the key to targeting and guiding exploration. The review undertaken by Dr Bettenay confirms that the excellent Be, Cs, Rb, Sn and Ta values seen in the drilling on line 6444,000mN (Figure 4) were drilled on the anomalous Be, Cs and Ta anomalies seen in the geochemical programme that Marindi Metals/Firefly Resources conducted prior to their drilling programme, thus proving the effectiveness of soil geochemistry as an exploration tool in the area.

A programme of works has been approved for drilling, which is scheduled for Q4, 2022. A heritage survey was completed at the prospect during the period and an environmental survey has also recently been completed to assist with an additional POW application over the area.

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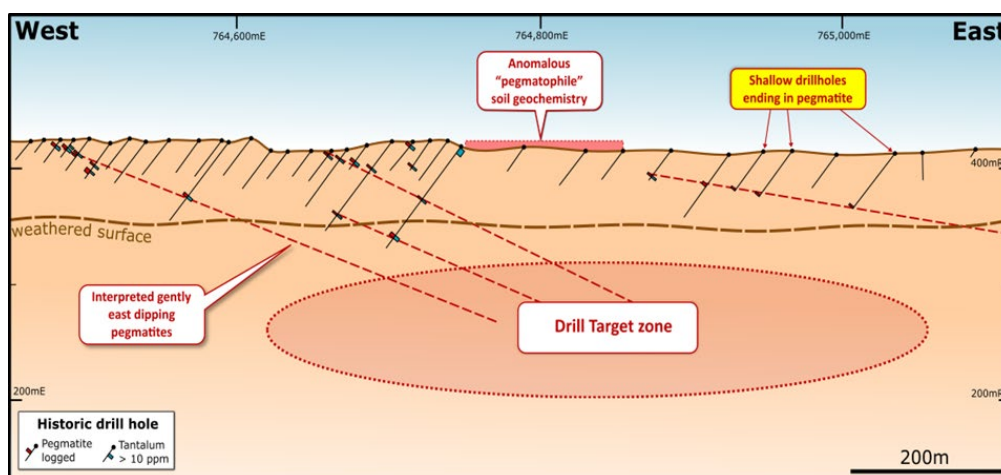
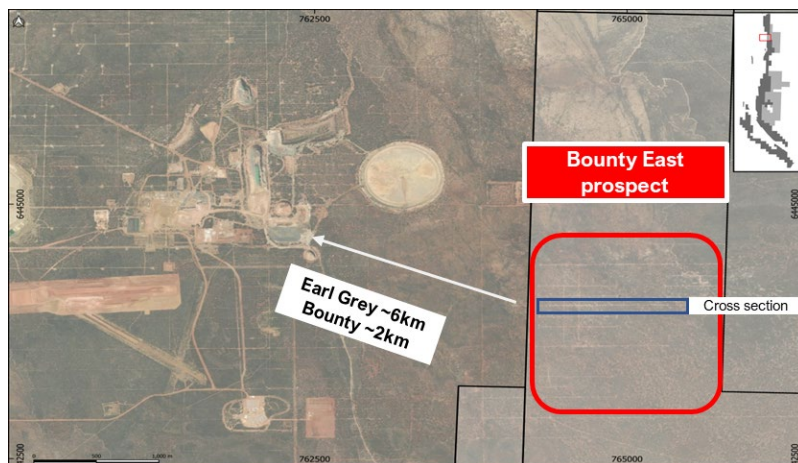


Figure 4: Bounty East area aerial photo (upper image) showing location of cross section (blue outline) and target area (lower image). Note proximity to Earl Grey lithium deposit and historic Bounty gold mine. (See ASX:FRS release 2 December 2021 & 12 January 2022)

Bannon

At the Bannon prospect a review of historical drilling completed by previous explorers in 2018 was undertaken. The 2018 drilling program was successful (Figure 5), in that it intersected large bodies of pegmatite (up to 64m in true thickness) and despite not being ore grade, demonstrated zones of anomalous lithium and provided some indication of the pegmatites becoming specialised (see ASX: FFR release 27 August 2018). Additional sampling was undertaken during the period to improve the Company's understanding of the geochemistry in this area and to help inform drill targeting at the prospect (see ASX: FRS release 23 May 2022).

The results reinforced previous indications of the pegmatites becoming specialised within the prospect. Notable results from the recent sampling include:

- 4m @ 0.12% Li₂O and 10.7 ppm Ta from 32m in FFRC0013
- Favourable pathfinder elements within drilling with Caesium values up to 269.6ppm, Beryllium up to 97.5ppm, Rubidium up to 879.1ppm, Sn up to 82.5ppm, Nb up to 97.8ppm and Ta over 100ppm.
- Numerous samples in the new and existing dataset have K/Rb ratios less than 25, which is considered the optimal range for specialised pegmatites.

Given the significant thickness of the pegmatite intersected in the historical drilling and indications of the pegmatite becoming specialised, Forrestania plans to drill test the lateral extents of the pegmatite and test for zones that may show an increasing level of fractionation and specialisation (see ASX: FRS release 23 May 2022). POW approval was granted during the period for the area and drill planning is underway with drilling scheduled for Q4/Q1, 2022 pending heritage approval.

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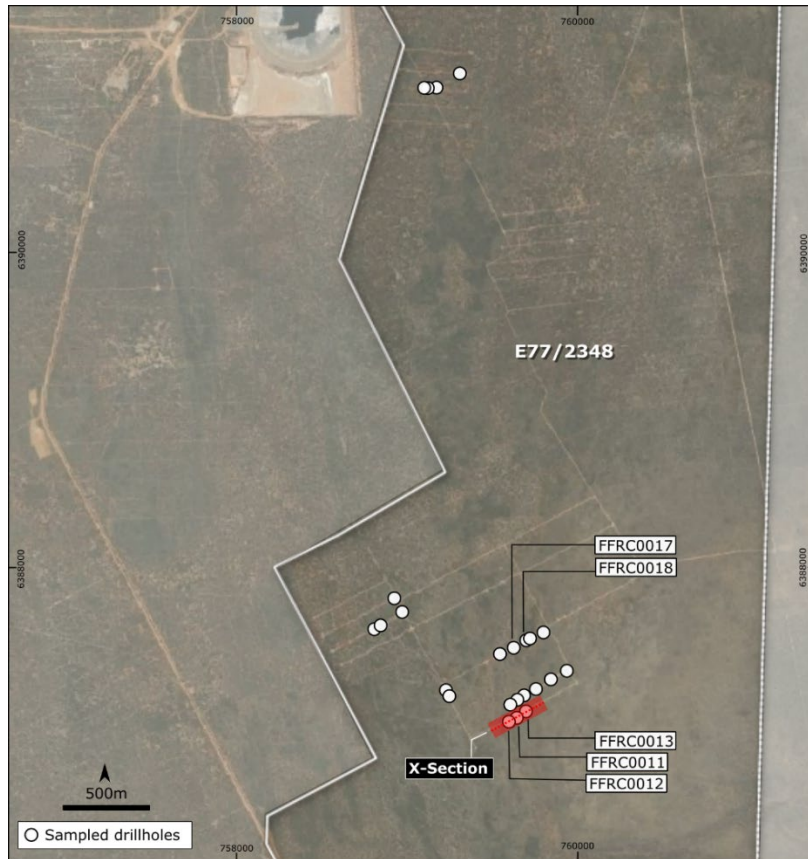


Figure 5: Plan view of Bannon prospect and location of historical drillholes that have been reviewed / sampled

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Gold exploration

Lady Lila

The Company's maiden drilling programme was completed in November 2021. 14 RC holes (LLRC001-014) were drilled for 1,823m at the Lady Lila prospect, with Au mineralisation confirmed in all of the holes, with the exception of LLRC011, which didn't reach target depth. Assays include (see ASX:FRS release 23 February 2022):

- LLRC003 – 13m @ 2.02g/t from 91m
- LLRC004 – 12m @ 1.1g/t from 116m
- LLRC009 – 4m @ 4.96g/t from 110m
- LLRC002 – 3m @ 4.78g/t from 10m

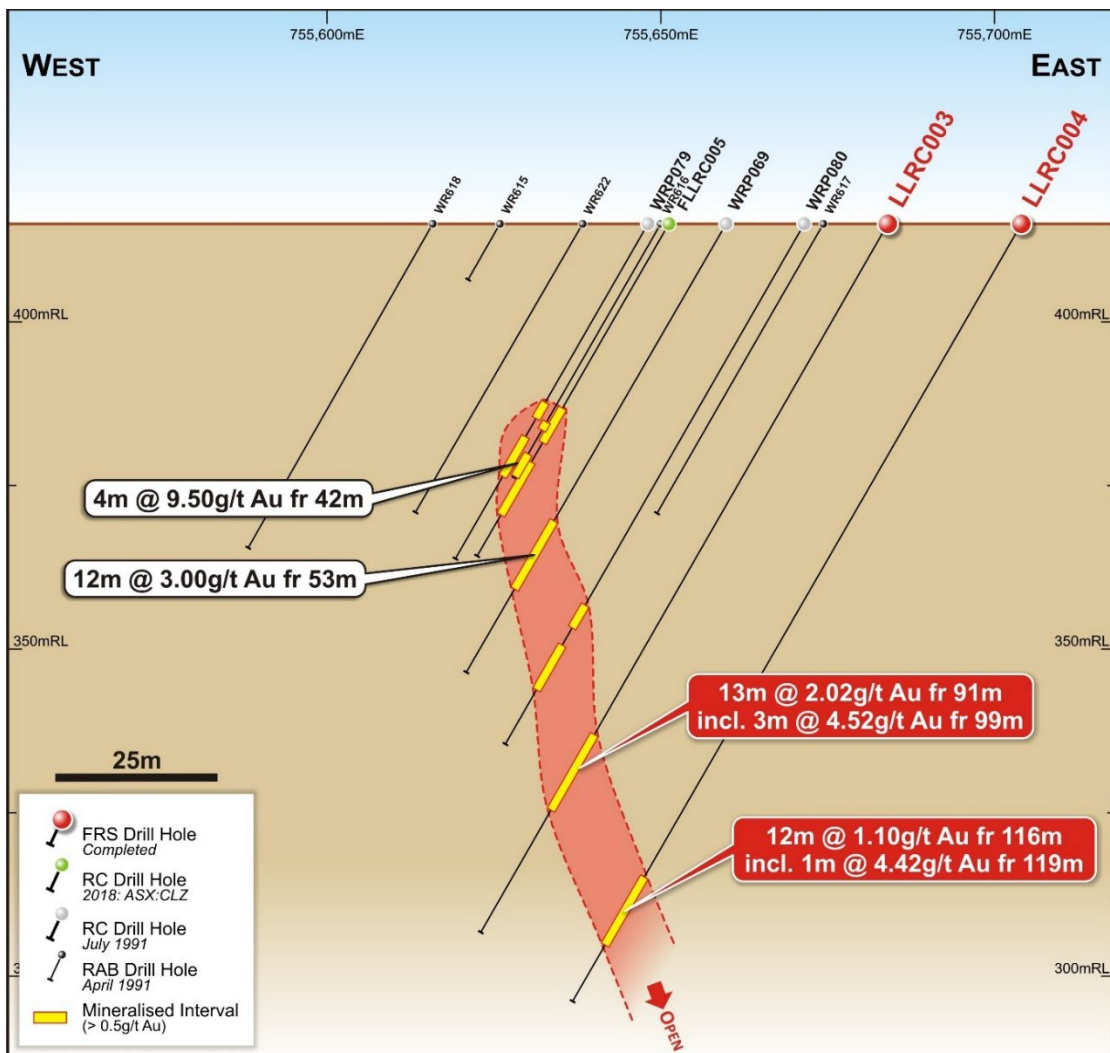


Figure 1: Cross section, looking north at the Lady Lila prospect showing Forrestania drilling, along with historic RAB and RC drilling (6,429,858mN)

Lady Lila has a historic, inferred JORC mineral resource of 541,000 tonnes grading at 1.38g/t, for ~24,000oz of gold. The Company's maiden drilling programme has confirmed the presence of shallow, supergene Au mineralisation and has extended the mineralisation to ~300m of strike, with the deposit open in all directions. (see ASX:FRS, released 16 December 2021 and ASX:FRS, released 23 February 2022).

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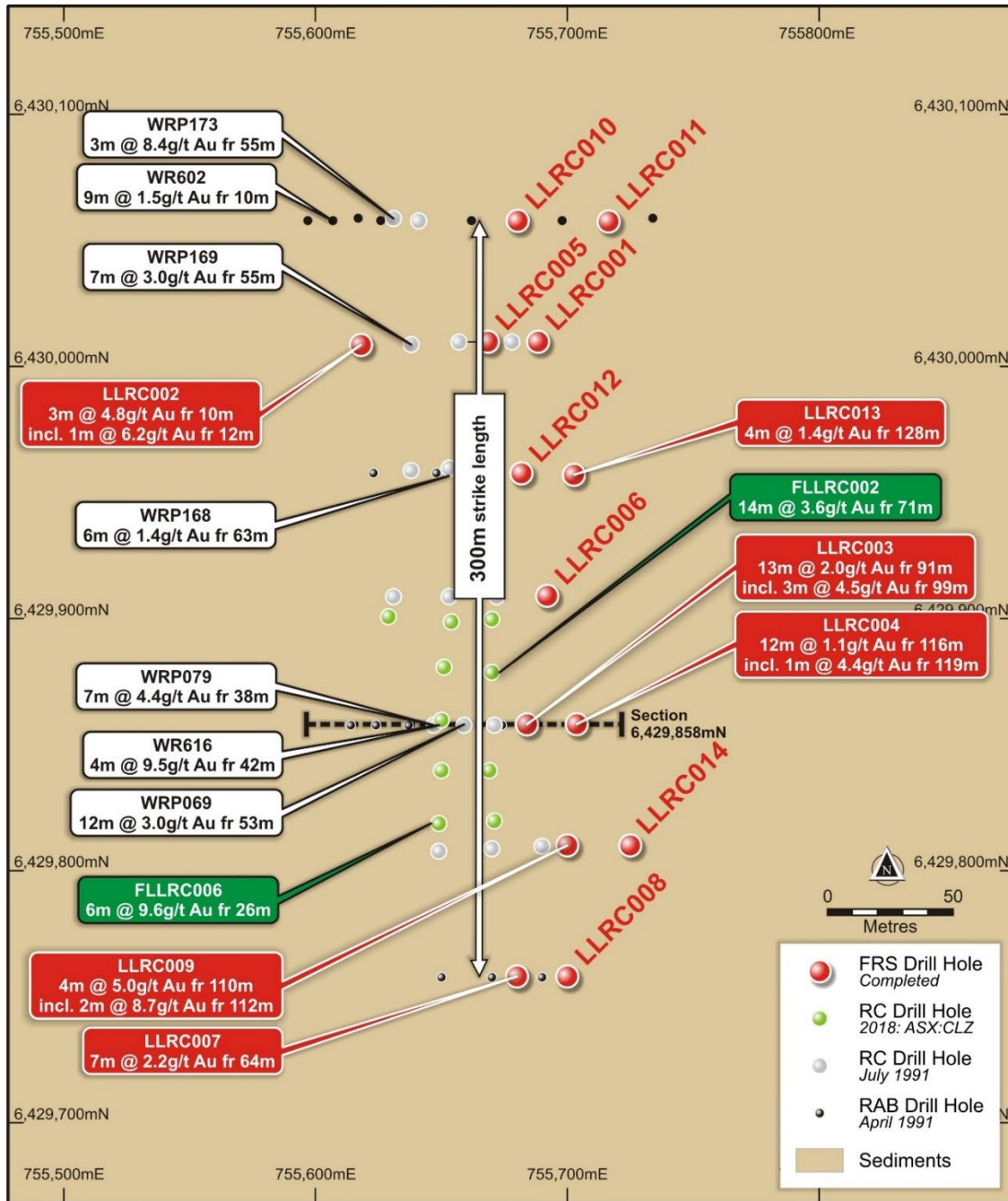


Figure 2: Lady Lila drilling with historical and recent drilling intercepts

The geology of the Lady Lila prospect bears similarities to the nearby Bounty Gold Mine with the deposit's gold mineralisation strongly associated with a banded iron formation (BIF). The Bounty Gold Mine successfully produced high grade gold from open pit and underground operations for ~12 years.

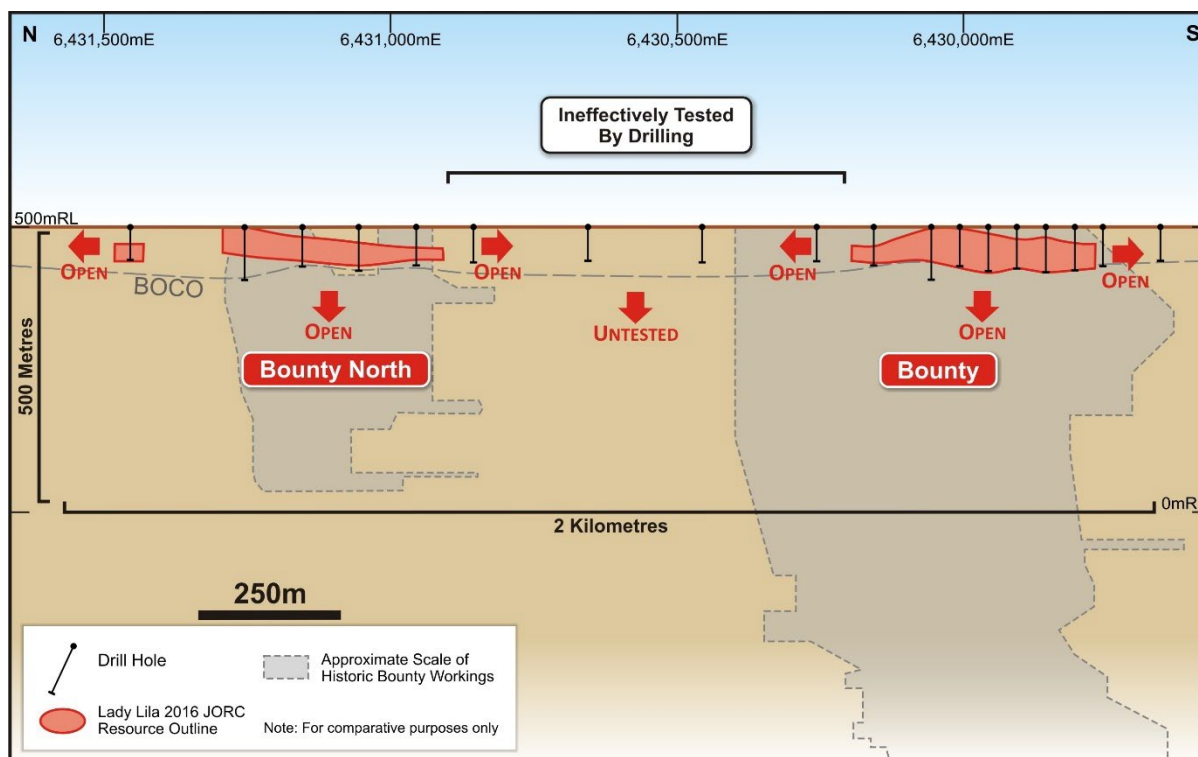


Figure 3: Section, looking east showing the 2016 Lady Lila JORC resource with the approximate outline of the Bounty Gold Mine, for comparison

In addition, two environmental surveys were completed over the prospect during the year. Further Programme of Works (POWs) applications have been submitted with another environmental survey planned, along with a heritage survey for Spring 2022.

Hole ID	Prospect	North	East	Depth	Dip	Azi	RL
LLRC001	Lady Lila	6430010	755688	138	-60	270	415
LLRC002	Lady Lila	6430009	755618	60	-60	270	415
LLRC003	Lady Lila	6429858	755684	126	-60	270	415
LLRC004	Lady Lila	6429858	755704	138	-60	270	415
LLRC005	Lady Lila	6430010	755668	132	-60	270	415
LLRC006	Lady Lila	6429909	755692	150	-60	270	415
LLRC007	Lady Lila	6429758	755680	132	-60	270	415
LLRC008	Lady Lila	6429758	755700	132	-60	270	415
LLRC009	Lady Lila	6429810	755700	138	-60	270	415
LLRC010	Lady Lila	6430058	755680	124	-60	270	415
LLRC011	Lady Lila	6430057	755716	126	-60	270	415
LLRC012	Lady Lila	6429958	755682	144	-60	270	415
LLRC013	Lady Lila	6429957	755703	139	-60	270	415
LLRC014	Lady Lila	6429810	755725	144	-60	270	415

Lady Lila RC drilling summary

Great Southern and Prince

During the reporting year, Forrestania Resources entered into an exclusive option deed to acquire exploration licence E77/2637 – the Prince prospect. E77/2637 hosts a number of historic, high-grade workings; production figures include 126.5t @ 16.9g/t from one of several surface operations (see ASX:FRS release 18 October 2021).

E77/2637 is adjacent to the Company's Great Southern project (E77/2313), which also hosts several historic mines, including the Great Southern mine which reportedly produced 934t @ 7.1g/t (see ASX:FRS release 14 January 2022).

Multiple field mapping trips have taken place at the Prince prospect (formerly reported as Black Prince) as well as the Great Southern prospect, with many high-grade Au rock chips returned, including (see ASX:FRS 14 June 2022):

- HPY162 – 28.2ppm Au
- FR000191 – 6.1ppm Au
- FR000145 – 5.6ppm Au

These rock chips have helped to delineate a strongly mineralised trend, approximately 1.7km in strike, across the Prince tenement as well as multiple high grade rock chips at Great Southern.

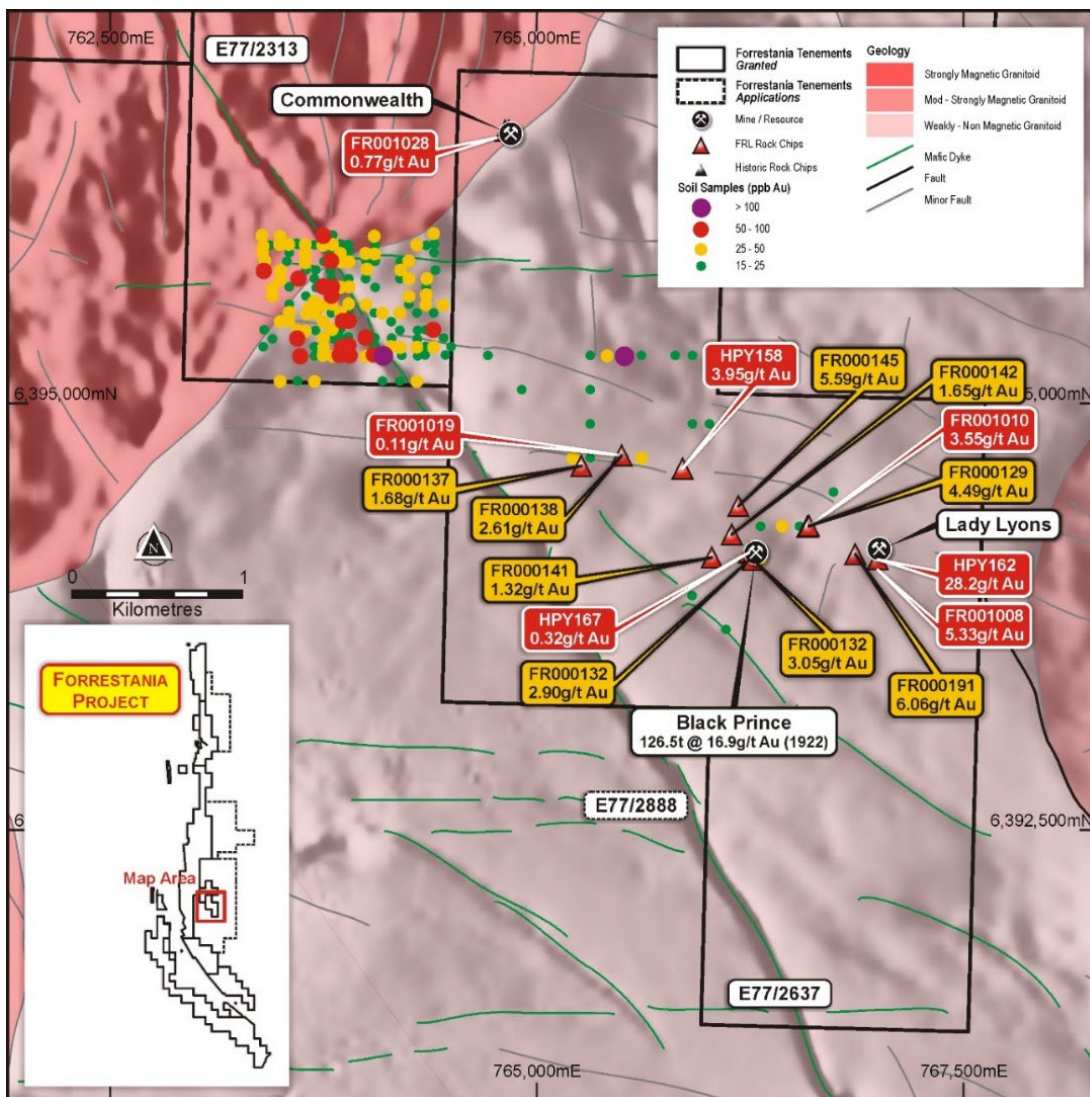


Figure 4: Prince soil sample and rock chips, overlaying the geophysics and interpreted geology (gold labels - rock chips taken from the most recent field trip). Also showing the Great Southern UFF soil area.

In addition to the strong rock chip results from the Prince prospect, a geochemical, ultrafine fraction (UFF), soil sampling programme was completed in September 2021, at a location approximately 2.5km to the south-west of the Great Southern mine (and to the north-west of the Prince prospect). This programme returned excellent Au results with multiple, highly anomalous gold in soils results, up to 45.4ppb Au; these results have defined a strong anomalous Au trend. (see ASX:FRS, released 17 November 2021).

To complement the on-ground activity, the Company also completed an aeromagnetic survey (using Magspec) over the southern portion of the Forrestania tenements during December and January, which included the Great Southern and Prince prospects. The survey was undertaken to increase the Company's understanding of the underlying regional and local structures that are present within the southern section of the Forrestania Project. The geophysical survey provided high-resolution images of several key structures in the project area, which have the potential to be the major controls on gold mineralisation. Based on the survey data and the interpretation completed by Southern Geoscience Consultants (SGC), 29 targets have been identified for further follow up exploration with five additional high priority areas, including the Great Southern and Prince prospects (See ASX:FRS 12 May 2022).

The high-grade rock chip results at the Prince prospect and the anomalous soil results from Great Southern UFF, when combined with the geophysical data clearly demonstrate the strong correlation between the surface gold anomalism and the interpreted faults/structures identified from the aeromagnetic survey. The geophysical survey has confirmed the presence of extensive dykes, in and around the Great Southern and Prince project areas; these dykes are potentially significant, as other gold deposits in the region including the Company's Lady Lila prospect, the Bounty Gold mine and Classic Resources' Lady Ada and Kat Gap Au projects have strong spatial associations with these late-stage dykes. Indeed, these dykes are closely associated with some of the major mines in the Forrestania region, including Earl Grey (Li) and Flying Fox (Ni).

An environmental survey was completed at the Prince prospect and POW approval has been received for both the Prince and the Great Southern UFF prospects with heritage surveys scheduled for Spring 2022.

Crossroads

In order to better understand the mineralisation controls at the Crossroads prospect, FRS engaged Ultramag Geophysics to conduct a Deep Ground Penetrating Radar (DGPR). The results from this survey were highly encouraging, with the historic mineralisation lining up with the interpreted faults from the drilling. Additional faults and shear zones were also identified by the DGPR survey, to confirm further targets and the strong potential at Crossroads (see ASX:FRS release 9 December 2021).

The Company's aeromagnetic geophysical survey also confirmed the area as a strong target with multiple structures interpreted through the prospect and identified by SGC as a high priority target. (see ASX:FRS, released 12 May 2022)

A Programme of Works (POWs) has been approved for drilling; however a further environmental survey is required prior to drilling commencing, with the survey planned for Spring 2022.

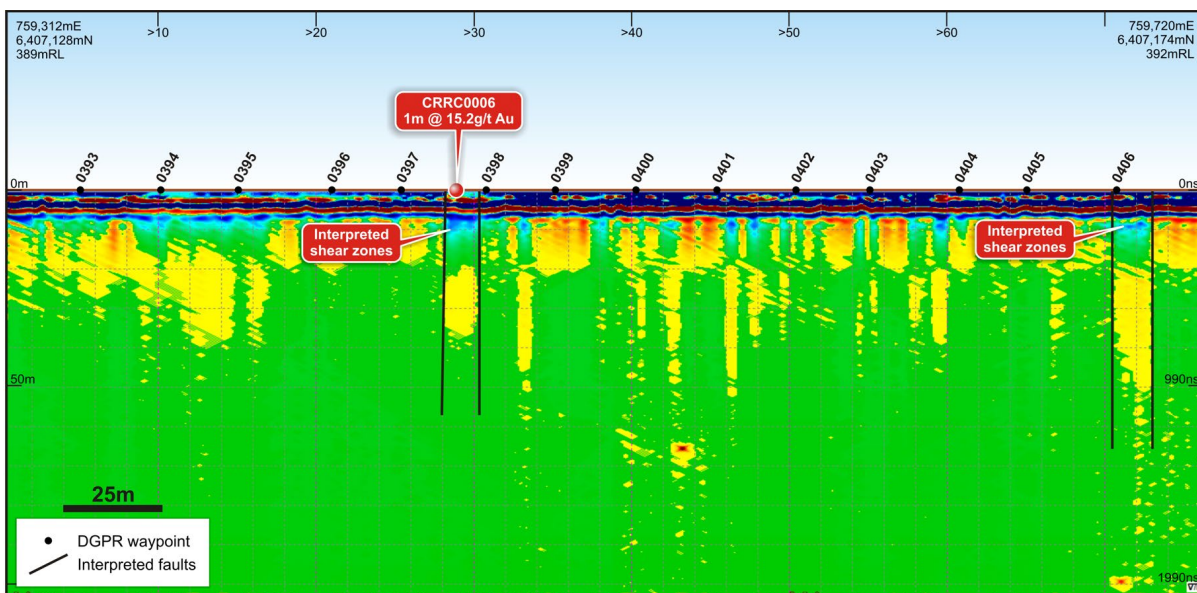


Figure 5: Crossroads prospect. DGPR profile 392, 6407140mE looking north - Ultramag profile showing previously untested faults and shear zones.

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Rabbit Hole

The results of the aforementioned geophysical survey highlighted and confirmed the gold prospectivity of the Rabbit Hole prospect (E77/2575). The geological/geophysical interpretation completed by SGC suggests the presence of a granite/greenstone contact that coincides with mapping completed by the Company that has identified a BIF outcrop, along this contact. Mineralised samples occur along this contact for ~1,200m, with historic RAB drilling intercepting 5m @ 4.37g/t Au. Rock chip results sampled by Forrestania Resources have returned strong Au and Au pathfinder anomalism, including (see ASX:FRS 12 May 2022):

- FR001145 – 0.40g/t Au and 232ppm As
- FR001176 – 0.11g/t Au and 385ppm As

Further geochemical programmes have been planned at Rabbit Hole and a Programme of Works (POWs) application has been submitted for approval. An environmental survey will be required to facilitate the approval and this survey has been planned for Spring 2022.

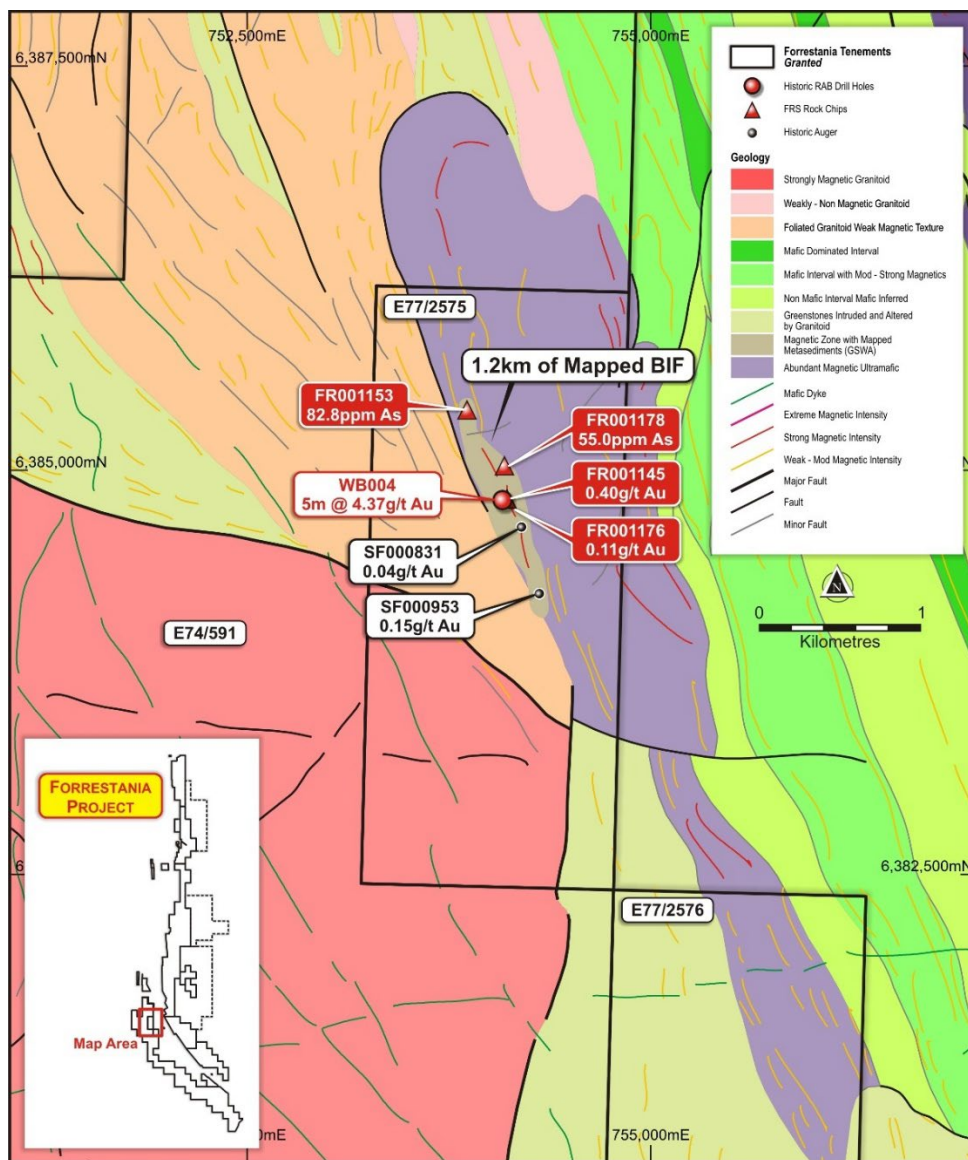


Figure 6: Rabbit Hole prospect, showing interpreted geology, along with FRS and historic rock chips (with selective Au and As results) and selective historic drilling results

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Eastern Goldfields

During the reporting period, a number of mapping and reconnaissance trips have taken place at the Company's Eastern Goldfields project with several geochemical programmes being undertaken. Encouraging rock chips and soil samples have been submitted for assay, with results pending.

Furthermore, during the reporting period, E29/1103 (Goongarrie) was granted and a further application for Goongarrie North (E29/1158) was submitted (see ASX:FRS, released 1 February 2022).

The granting of E29/1103 and the application for E29/1158 is helping to consolidate the Company's Au position in the Eastern Goldfields. The Goongarrie and Goongarrie North projects represent an excellent strategic land holding; Goongarrie is located adjacent to the Sir Lawrence Au discovery (ASX:KWR) and Goongarrie North is located adjacent to the Gigante Grande Gold Project with the Granny Venn Gold mine (currently in production) and the Maranoa Prospect ~5.5km and ~7.2km west, respectively (these projects are owned by Resources and Energy Group Limited, ASX:REZ).

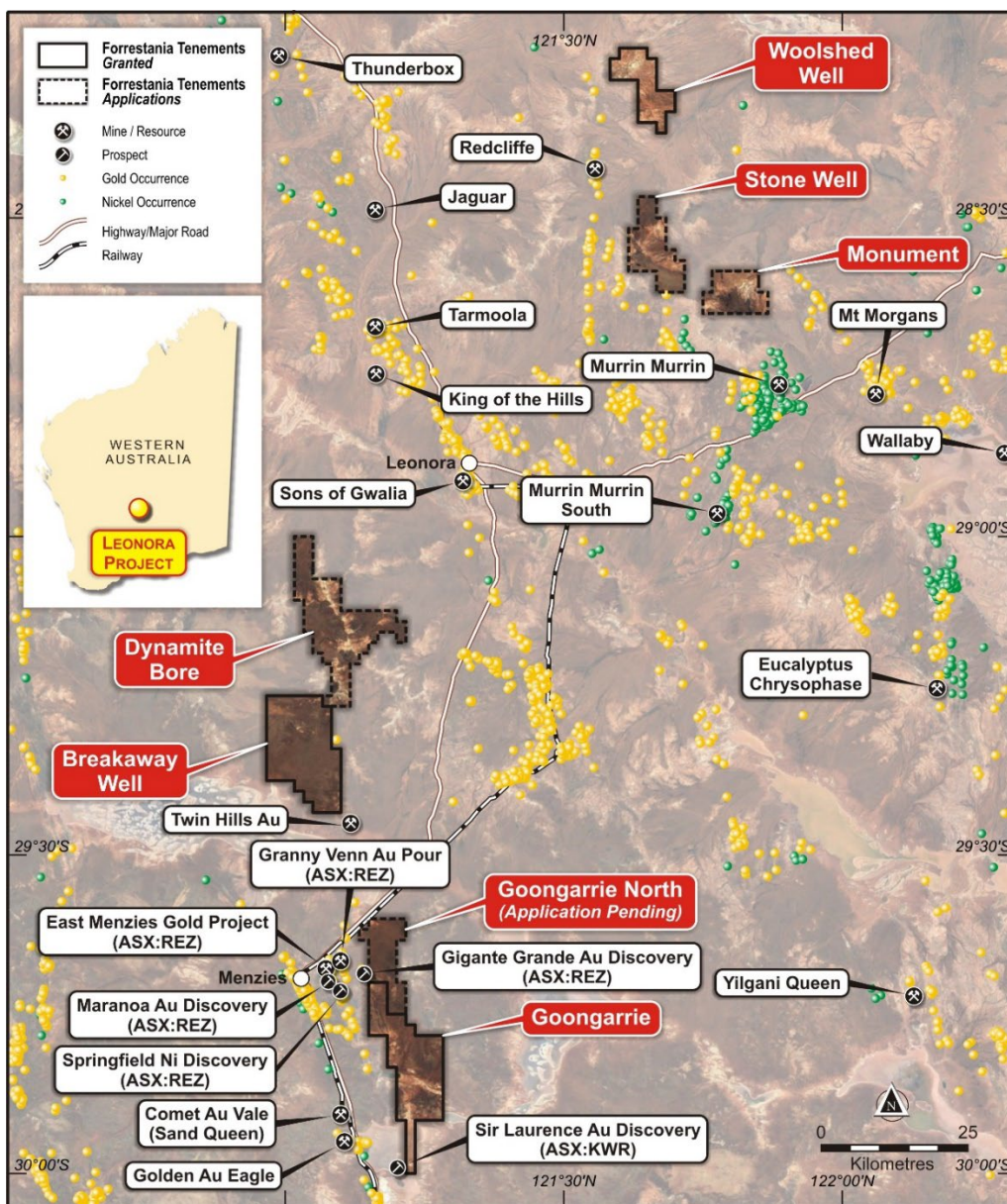


Figure 7: FRS Eastern Goldfields projects

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Matters subsequent to the end of the financial year

There are no matters subsequent to the end of the financial year to report.

Environmental and Social Regulation and Performance

The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no significant known breaches by the group during the financial period.

The Group is developing a framework of stewardship of our environment and are focussed on providing social benefits and mutually rewarding outcomes for the communities in which it operates.

Likely Developments and Expected Results

It is the Board's current intention that the Group will seek to progress exploration on existing projects. The Group will also continue to examine new opportunities in the mineral exploration and resources sector where appropriate.

These activities are inherently risky and there can be no certainty that the Group will be able to successfully achieve the objectives.

Greenhouse Gas and Energy Data Reporting Requirements

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Meetings of Directors

The following table sets out the number of meetings of the Company's directors held during the period ended 30 June 2022, and the number of meetings attended by each director.

	Board Meetings Number Eligible to attend	Board Meetings Number attended
John Hannaford	8	8
David Izzard	8	8
William Higgins	8	8

One Audit and Risk Committee meeting was convened during the period with all directors in attendance. The Audit and Risk committee did not perform a formal review of the Company's risk management framework however it is continually considered and assessed by the full Board in conducting its business.

Corporate Governance council recommendation 7.2 was not adopted during the year ended 30 June 2022.

Insurance of Officers and Auditors

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium is \$15,250 exclusive of GST.

Directors' Report

30 June 2022

Share Options on Issue at the Date of this Report

Unissued shares

At the date of this report, the unissued ordinary shares of Forrestania Resources Limited under option are as follows:

Unquoted (exercise price \$0.30 and 27/06/25 expiry date)	12,000,000
Unquoted (exercise price \$0.30 and 17/08/25 expiry date)	500,000
Unquoted (exercise price \$0.30 and 21/09/25 expiry date)	5,750,000
Unquoted (exercise price \$0.60 and 17/02/25 expiry date)	1,500,000
Unquoted (exercise price \$0.65 and 17/08/25 expiry date)	1,500,000
Unquoted (exercise price \$0.60 and 16/06/25 expiry date)	125,000
Unquoted (exercise price \$0.65 and 16/12/25 expiry date)	125,000

Total existing Options	21,500,000
-------------------------------	-------------------

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year, employees and executives did not exercise any options to acquire ordinary shares.

Non-Audit Services

There were no non-audit services provided during the period by the auditor, Hall Chadwick WA Audit Pty Ltd.

Auditor's Independence Declaration

The auditor's independence declaration is on page 24 of the Financial Report.

Directors' Report

30 June 2022

Remuneration Report

(Audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group. Based on this definition the KMP of Forrester Resources Limited are the directors of the Company. No performance reviews of Directors or executives remuneration were undertaken in the period.

Details of Key Management Personnel

Directors

John Hannaford	Non-Executive Chairman
David Izzard	Non-Executive Director
William Higgins	Non-Executive Director

CEO

Angus Thomson – appointed 2 February 2022

Melanie Sutterby – appointed 16 August 2021 resigned 24 November 2021

There were no changes in KMP after the reporting date and before the date the annual financial report was authorised for issue.

Overview of company performance

The table below sets out information about Forrester Group earnings and movements in shareholder wealth for the two years up to the current financial year.

	2022	2021
	\$	\$
NPAT(\$)	(2,119,478)	(205,584)
Share price at year end (\$)	0.12	0.00 ¹
Basic EPS	0.05	1.04
Total dividends per share	-	-

¹ The Company was not listed

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives; and
- Link executive rewards to shareholder value.

Due to the early stage of development which the Company is in, shareholder wealth is directly affected by the Company share price, as the Company is not in a position to pay dividends. By remunerating Directors and Executives in part by share based payments, the Company aims to align the interests of Directors and Executives with Shareholder wealth, thus providing individual incentive to perform and thereby improving overall Company performance and associated value.

As the Company has been incorporated since 12 February 2021 and remains in the development stage of an inherently risky industry, the remuneration policy does not currently take into account current or prior year earnings. Other than share based payments made to the KMP from time to time, there is no specific link to the Company's performance and KMP' remuneration.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Board and Senior Executive performance review and evaluation

The Board did not conduct a formal review of its members during the year ended 30 June 2022. The Board, mindful of its duties, considers it appropriate to monitor the performance on an ongoing basis and conduct a formal review of its members and other senior executives and management when necessary.

Corporate Governance Council recommendations 1.6 and 1.7 have therefore not been adopted during the year ended 30 June 2022.

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors to the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate directors' fees payable to non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The Company will seek approval, at the upcoming AGM, for aggregate directors' fees of \$300,000 per year.

The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Cash fees for non-executive directors are not linked to the performance of the Company or shareholder wealth.

All remuneration paid to Non-Executive Directors is valued at cost to the Company and expensed.

Employment Contracts

The employment conditions of the Non-Executive Chairman, Mr John Hannaford, and the Non-Executive Directors, David Izzard and William Higgins, were formalised in a contract of employment that were effective from 30 September 2021 after the Company's listing on ASX. The total remuneration package of Mr Hannaford is \$50,000 per annum plus statutory superannuation. The remuneration packages for Mr Izzard and Mr Higgins from 30 September 2021 is \$36,000 per annum respectively plus statutory superannuation.

The remuneration of Non-Executive Directors for the period ended 30 June 2022 is detailed below, within this section.

Executive remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for Company performance;
- Align the interest of executives with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

Structure

The remuneration policy for executives is to provide a fixed remuneration component and a specific equity related component. The board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives.

The remuneration policy going forward in regard to setting the terms and conditions for the executives has been developed by the board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration.

Fixed remuneration is to be reviewed annually and the process consists of a review of company and individual performance, relevant comparative remuneration in the market and internal policies and practices.

Directors' Report

30 June 2022

Structure

The remuneration policy, in regard to setting the terms and conditions for executives, has been developed by the board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The remuneration of executives for the period ended 30 June 2022 is detailed below, within this section.

Variable Remuneration

Objective

The objective of variable remuneration provided is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Structure

Variable remuneration may be delivered in the form of options, shares or cash bonus. No cash bonuses, or shares were granted or paid during the period ended 30 June 2022. Options were issued as detailed in the Key Management Personnel Remuneration table below.

Options Granted

Directors and Executives were awarded employment related options during the period as detailed in the Key Management Personnel Remuneration table below.

Employment Contracts

Executive Directors

Prior to the listing of the Company's shares on ASX (30 September 2021), all Directors were engaged as consultants in relation to the performance of their roles. Consultancy fees were charged based on time worked at a rate of \$1,250 per day for John Hannaford and David Izzard. Details of remuneration charged to the Company up to 30 June 2022 are provided below

CEO

Mr Angus Thomson was appointed as CEO on 2 February 2022. Mr Thomson is currently paid a base annual remuneration of \$220,000 plus statutory superannuation contributions. The appointment is on an ongoing basis with a 3 month termination notice period. Incentive options as set out below have been issued.

Two Tranches of incentive options as follows:

- (i) 750,000 exercisable at a 45% premium to the 5-day VWAP on the date of issue, exercisable within 36 months of commencement. Vesting period 6 months.
- (ii) 750,000 exercisable at a 5c premium to the exercise price of tranche 1, exercisable within 42 months of commencement. Vesting period 12 months.

Ms Sutterby was engaged on 16 August 2021 by Bowman Gate Pty Ltd (an entity controlled by Mr Izzard). Ms Sutterby was contracted to provide executive services to the Company through Bowman Gate Pty Ltd based a daily rate of \$1,200. She resigned from the position on 24 November 2021.

Directors' Report 30 June 2022

Key Management Personnel Remuneration

Key Management Personnel remuneration - 2022	Short term employee benefits	Redundancy	Post-employment benefits	Share based payments	Consulting Fees	Total
	Cash salary/ consultancy		Superannuation	Options		
Non-Executive Directors						
John Hannaford	37,500	-	3,750	186,271	41,575	269,096
David Izzard	27,000	-	2,700	186,271	22,075	238,046
William Higgins	27,000	-	2,700	186,271	5,000	220,971
CEO						
Angus Thomson ¹	82,641	-	8,264	167,246	-	258,151
Melanie Sutterby ²	70,817	19,615	7,846	-	-	98,278
Total	244,958	19,615	25,260	726,059	68,650	1,084,542

¹ Angus Thomson was appointed as CEO on 2 February 2022

² Melanie Sutterby resigned on 24 November 2021

Options awarded, vested and lapsed during the year

Key Management Personnel	Financial year	Award date	Number of options	Fair value per option at award date \$	Vesting date	Exercise price	Expiry date	No vested during year	Value of options granted during the year
John Hannaford	2022	23/06/21	1,500,000	\$0.1242	21/09/21	\$0.30	27/06/25	1,500,000	186,271
	2021	-	-	-	-	-	-	-	-
David Izzard	2022	23/06/21	1,500,000	\$0.1242	21/09/21	\$0.30	27/06/25	1,500,000	186,271
	2021	-	-	-	-	-	-	-	-
William Higgins	2022	23/06/21	1,500,000	\$0.1242	21/09/21	\$0.30	27/06/25	1,500,000	186,271
	2021	-	-	-	-	-	-	-	-
Angus Thomson	2022	17/02/22	750,000	\$0.1751	17/08/22	\$0.60	17/02/25	-	116,422
		17/02/22	750,000	\$0.1860	17/02/23	\$0.65	17/08/25	-	50,824

Additional Disclosures Relating to Key Management Personnel

Shareholding

The number of shares in the company held during the financial period by KMP of the entity, including their personally related parties, is set out below:

	Balance at 01/07/2021 ¹	Purchased ²	Vendor ³	Purchased ⁴	IPO ⁵	Balance at Reporting Date
Non-Executive Directors						
John Hannaford	2,500,000	-	1,400,000	-	137,500	4,037,500
David Izzard	2,500,000	50,000	1,400,000	250,000	250,000	4,450,000
William Higgins	-	-	1,125,000	200,000	100,000	1,425,000
CEO						
Angus Thomson	-	-	-	-	-	-
Melanie Sutterby	-	-	-	100,000	-	100,000
Total	5,000,000	50,000	3,925,000	550,000	487,500	10,012,500

1. Consists of Founder shares acquired at 1 cent per share.

2. On market purchase.

Directors' Report 30 June 2022

- Shares issued as part of consideration for assets being acquired (refer notes 10.1 and 10.3). ASX imposed escrow conditions are in place for these securities for 24 months from listing date (30 September 2021).
- Seed Capital acquired at 10 cents per share. ASX imposed escrow conditions are in place for 50% of these securities for 24 months from listing date (30 September 2021).
- Includes shares issued in IPO to parties related to the KMPs.

Option holding

The number of shares in the company held during the financial period by KMP of the entity, including their personally related parties, is set out below:

	Balance at ¹ 01/07/2021	Board Options ²	Vendor ³	Employee Options ⁴	Balance at Reporting Date
Non-Executive Directors					
John Hannaford	2,750,000	1,500,000	1,012,500	-	5,262,500
David Izzard	2,750,000	1,500,000	1,012,500	-	5,262,500
William Higgins	-	1,500,000	812,500	-	2,312,500
CEO					
Angus Thomson	-	-	-	1,500,000	1,500,000
Melanie Sutterby	-	-	-	-	-
Total	5,500,000	4,500,000	2,837,500	1,500,000	14,337,500

- Free attaching option with Founder Shares purchased (1:1). ASX imposed escrow conditions are in place for these securities for 24 months from listing date (30 September 2021).
- Free Options issued to the members of the Board. ASX imposed escrow conditions are in place for these securities for 24 months from listing date (30 September 2021).
- Options issued as part of consideration for assets being acquired (refer note 7.2). ASX imposed escrow conditions are in place for these securities for 24 months from listing date (30 September 2021).
- Options issued under the Forresteria Employee Securities Incentive Plan.

Use of Remuneration Consultants

The company did not use the services of any remuneration consultants during the period.

Transactions with key management personnel

During the period 1 July 2021 to 31 January 2022, consulting, office accommodation and administration services were provided by Bowman Gate Pty Ltd, a company that is controlled by David Izzard. An amount of \$134,232 was invoiced by Bowman Gate Pty Ltd, for provision of these services for the period up to 30 June 2022.

During the period 1 February to 30 June 2022, office accommodation and administration services were provided by Rockford Partners Pty Ltd, a company that is controlled by David Izzard and John Hannaford. An amount of \$66,040 was invoiced by Rockford Partners Pty Ltd, for provision of these services for the period up to 30 June 2022.

During the period 1 January to 30 June 2022, a commercial storage facility was provided by Fordrock Pty Ltd, a company that is controlled by David Izzard and John Hannaford. An amount of \$5,000 was invoiced by Fordrock Pty Ltd, for provision of this service for the period up to 30 June 2022.

During the period to 30 June 2022 \$5,000 was paid to Toru Capital Pty Ltd, of which Mr William Higgins is a director, for geological consulting fees.

During the period to 30 June 2022 \$41,575 was paid to Riverview Corporation Pty Ltd, of which Mr John Hannaford is a director, for consulting fees.

During the period to 30 June 2022, an interest payment of \$2,170 was made to Hop Valley Pty Ltd, a company controlled by David Izzard. This was in respect to pre-listing a loan made to the Company. The loan was repaid in full upon the Company's listing in September 2021.

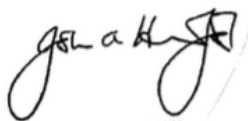
Directors' Report 30 June 2022

During the period to 30 June 2022, an interest payment of \$801 was made to Riverview Corporate Pty Ltd Ltd, a company controlled by John Hannaford. This was in respect to pre-listing a loan made to the Company. The loan was repaid in full upon the Company's listing in September 2021.

No loans to key management personnel were provided during the period or up to the date of signing this report.

END OF AUDITED REMUNERATION REPORT

Signed in accordance with a resolution of the directors.



John Hannaford
Chairman
30 September 2022

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To the Board of Directors,

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

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

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

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 30th day of September 2022

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Forgiveness of debt	3.1	93,973	-
Interest		-	419
Expenses			
Administration services	3.2	(869,883)	(150,843)
Exploration expense	3.2	(269)	(53,381)
Interest expense		(3,357)	(1,778)
Employee expenses	3.3	(189,185)	-
Share based payments expense	8.2.2	(1,150,757)	-
Loss before income tax expense		(2,119,478)	(205,583)
Income tax expense	3.5.1	-	-
Loss for the year		(2,119,478)	(205,583)
Other comprehensive income/(loss) for the year		-	-
Total comprehensive loss attributable to Equity Holders of Forrestania Resources Limited		(2,119,478)	(205,583)
Loss for the year attributable to:			
Owners of the Company		(2,119,478)	(205,583)
		(2,119,478)	(205,583)
Total Comprehensive Income/(Loss) for the year attributable to:			
Owners of the Company		(2,119,478)	(205,583)
		(2,119,478)	(205,583)
Loss per Share for Loss attributable to the Ordinary Equity Holders of the Company		Cents	Cents
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company	3.6	0.05	1.04
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company	3.6	0.05	1.04

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

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Consolidated Statement of Financial Position As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	4.1	1,586,230	22,310
Trade and other receivables	4.3	73,085	57,803
Prepayments		67,281	-
Total current assets		1,726,596	80,113
Non-current assets			
Exploration and evaluation expenditure	2.1	5,176,994	135,000
Property, plant and equipment	2.2	90,096	2,307
Total non-current assets		5,267,090	132,307
Total assets		6,993,686	217,420
Liabilities			
Current liabilities			
Trade & other payables	4.4	170,504	167,862
Provisions		25,581	-
Loans	7.3	-	197,641
Total current liabilities		196,085	365,503
Total liabilities		196,085	365,503
Net assets		6,797,601	(148,083)
Equity			
Share capital	5.1	7,229,344	57,500
Accumulated loss		(2,325,062)	(205,583)
Reserves		1,893,319	-
Total equity attributable to shareholders of the Company		6,797,601	(148,083)

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

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Consolidated Statement of Changes in Equity For the Year Ended 30 June 2022

	Contributed equity	Accumulated losses	Reserves	Total equity
	\$	\$	\$	\$
At 1 July 2021	57,500	(205,583)	-	(148,083)
Loss for the year	-	(2,119,478)	-	(2,119,478)
Total comprehensive loss for the year	-	(2,119,478)	-	(2,119,478)
Transactions with owners in their capacity as owners:				
Acquisition				
Share-based payments	-	-	1,893,319	1,893,319
Issue of new shares net of cost	7,171,844	-	-	7,171,844
At 30 June 2022	7,229,344	(2,325,062)	1,893,319	6,797,601

	Contributed equity	Accumulated losses	Reserves	Total equity
	\$	\$	\$	\$
At 12 February 2021				
Loss for the year	-	(205,583)	-	(205,583)
Total comprehensive loss for the year	-	(205,583)	-	(205,583)
Transactions with owners in their capacity as owners:				
Issue of new shares net of cost	57,500	-	-	57,500
At 30 June 2021	57,500	(205,583)	-	(148,083)

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

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Consolidated Statement of Cash Flows For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,072,934)	(61,690)
Net cash (outflow) from operating activities	4.2	(1,072,934)	(61,690)
Cash flows from investing activities			
(Payments)/proceeds for property, plant and equipment		(124,423)	-
Payments for exploration and evaluation activities		(2,262,482)	(27,500)
Net cash (outflow) from investing activities		(2,386,905)	(27,500)
Cash flows from financing activities			
Proceeds from issue of shares	5.2	5,552,500	-
Share issue costs	5.2	(331,100)	57,500
Repayment of loans		(197,641)	54,000
Net cash inflow from financing activities		5,023,759	111,500
Cash and cash equivalents at the beginning of the year		22,310	-
Net increase/ (decrease) in cash and cash equivalents		1,563,920	22,310
Cash and cash equivalents at the end of the year	4.1	1,586,230	22,310

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

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

1. Basis of preparation

The annual financial report of Forrestania Resources Limited for the period ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 30 September 2022.

1.1. Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Forrestania Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

1.2. Basis of Measurement

The financial report has been prepared on a historical cost basis.

1.3. Functional and Presentation Currency

The financial report is presented in Australian dollars.

1.4. Compliance with IFRS

These financial statements comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

1.5. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Forrestania Resources Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the period then ended. Forrestania Resources Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

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

A list of controlled entities is contained in note 6.1.1 to the financial statements.

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

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

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

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

1.6. Going Concern

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

1.6. Going Concern (Cont)

For the year ended 30 June 2022, the Group incurred a loss from operations of \$2,119,478 (30 June 2021: \$205,583) and recorded cash outflows from operating activities of \$1,072,934 (30 June 2021: \$61,690). As at 30 June 2022, the Group had net working capital of \$1,530,511 with cash of \$1,586,230 (30 June 2021: \$22,310) available.

The Group's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The Board believes that it has sufficient funding in place to meet its operating objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- the cash balance of the Group relative to its fixed and discretionary expenditure commitments;
- given the Group's market capitalisation and the underlying prospects for the Group to raise further funds from the capital markets; and
- the fact that future exploration and evaluation expenditure is generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Group's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). Subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Group's working capital.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to raise sufficient funds, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

1.7. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting judgements

The determination of mineral resources impacts the accounting for asset carrying values. Forrestania Resources Limited estimates its mineral resources in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the 'JORC' Code). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Significant accounting estimates and assumptions

Exploration and evaluation expenditure

Exploration and evaluation expenditure is assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation expenditure is assessed for indicators of impairment in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources when any of the following facts and circumstances exist:

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration and/ or evaluation of mineral resources in the specific area are not budgeted nor planned;

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

1.7. Significant Accounting Judgements, Estimates and Assumptions (Cont)

Exploration and evaluation expenditure (Cont)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit that is no larger than the area of interest. The Group performs impairment testing in accordance with accounting policy note 2.3.

Judgement is applied when considering whether fact and circumstances as per above indicate that the exploration and evaluation asset should be tested for impairment and no impairment indicators were noted during the period.

Share based payments

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

2. Capital Expenditure

2.1. Exploration & Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Costs related to the acquisition of properties that contain mineral resources are capitalised and allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest. Accumulated costs in respect of areas of interest which are abandoned are written off in full against loss in the year in which the decision to abandon the area is made.

	Note	30-Jun-22 \$	30-Jun-21 \$
Exploration and evaluation			135,000
Movement:			
Opening balance		135,000	-
Acquisition of tenements		710,000	135,000
Asset acquisition		2,678,633	-
Capitalised exploration expenditure		1,653,361	-
Closing balance		5,176,994	135,000
Projects:			
Forrestania		3,157,612	105,000
Southern Cross		1,000,512	30,000
Leonora		1,018,870	-
Closing balance		5,176,994	135,000

Asset Acquisitions

On 28th September 2021, Forrestania Resources completed the acquisition of the following entities by way of purchase of 100% of share capital from each of the subsidiaries' shareholders. The considerations were paid in cash, issue of fully paid ordinary shares and options in Forrestania Resources. The Group determined that the transaction does not constitute a business combination as defined by AASB 3. The acquisition of the net assets meets the definition of and has been accounted for as an asset acquisition.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

2.1. Exploration & Evaluation Expenditure (Cont)

	Cash paid \$	No. of Shares Issued	Value of Shares Issued \$	No. of Options Issued	Value of Options Issued \$	No. of Performa nce Rights	Value of Perform ance Rights \$	Total Considera tion Paid \$
Firehawk Gold Pty Ltd	50,000	6,250,000	1,250,000	-	-	2,500,000	25,000	1,325,000
Quattro Gold Pty Ltd	85,000	750,000	150,000	1,000,000	124,187	-	-	359,187
BA Exploration Pty Ltd	40,000	1,250,000	250,000	625,000	77,617	-	-	367,617
Tiger Paw Prospecting No 1 Pty Ltd	25,000	1,250,000	250,000	625,000	77,617	-	-	352,617
TOTAL	200,000	9,500,000	1,900,000	2,250,000	279,421	2,500,000	25,000	2,404,421

Acquired assets are as follows:

	Asset acquired \$	Consideration paid \$	Capitalised to exploration expenditure \$
Firehawk Gold Pty Ltd	(142,794)	1,325,000	1,467,794
Quattro Gold Pty Ltd	(134,888)	359,187	494,075
BA Exploration Pty Ltd	(6,858)	367,617	374,475
Tiger Paw Prospecting No 1 Pty Ltd	10,328	352,617	342,289
TOTAL	274,212	2,404,421	2,678,633

2.2. Property Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on either the straight-line basis or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used are as follows:

Plant and equipment	30%
Exploration equipment	25%
Vehicles	30%
Leasehold improvements	25%
Computer equipment and software	40%- 100%
Buildings	2.5%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of profit or loss and other comprehensive income.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

	30-Jun-22	30-Jun-21
	\$	\$
Computer Equipment - Cost	28,987	2,307
Accumulated depreciation – Computer Equipment	(8,543)	-
Motor Vehicle	96,335	-
Accumulated depreciation – Motor Vehicle	(26,683)	-
Low Value Pool	1,408	-
Accumulated depreciation – Motor Vehicle	(1,408)	-
Net carrying amount	90,096	2,307

2.3. Impairment of assets

Forrestania Resources Limited conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

No impairment indicators were noted for the period ended 30 June 2022.

3. Financial Performance

3.1. Other Income

	30-Jun-22	30-Jun-21
	\$	\$
Forgiveness of debt	93,973	-
	93,973	-

On 31 December 2021 Rockford Partners Pty Ltd, a company controlled by Directors John Hannaford and David Izzard, and Hop Valley Holdings Pty Ltd, a company controlled by David Izzard, resolved to forgive the balance of loans made to Forrestania subsidiaries Quattro Gold Pty Ltd (\$83,900) and Tigers Paw Prospecting No 1 (10,073).

3.2. Expenses

	30-Jun-22	30-Jun-21
	\$	\$
Administration services		
Compliance	144,431	21,254
Consulting	220,726	98,590
Contracted services	104,777	-
Depreciation	36,634	-
Insurance	23,701	-
Legal fees	70,857	18,304
Marketing	98,532	5,588
Occupancy	33,208	1,580
Stamp Duty	82,867	-
Other	54,150	5,527
	869,883	150,843
Exploration and evaluation	269	53,381

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

3.3. Employee Expenses

	30-Jun-22	30-Jun-21
	\$	\$
Salaries and wages	485,535	-
Less allocated to projects	(339,886)	-
Superannuation	44,495	-
Less allocated to projects	(33,989)	-
Other	33,030	-
	189,185	-

3.4. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the mining industry and are located within Western Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

3.5. Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

The carrying amount of deferred income tax assets is reviewed at each reporting 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 reassessed at each reporting 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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Forrestania Resources Limited and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation as of 13 November 2020. As a consequence, these entities are taxed as separate entities and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

3.5.1. The major components of income tax are:

	2022 \$	2021 \$
Current income tax	-	-
Deferred income tax	-	-

3.5.2. A reconciliation between tax expense and the product of accounting loss

	2022 \$	2021 \$
Accounting loss before tax from continuing operations	(2,119,478)	(205,583)
Loss before income tax from discontinued operations	-	-
Accounting loss before income tax	(2,119,478)	(205,583)
Prima facie tax payable on operating profit/(loss) before income tax rate of 25% (2021: 26%)	(529,869)	(53,542)
Effect of non-deductible expenses	304,286	-
DTA not brought to account as their realisation is not probable	225,583	53,452
	-	-
Income tax expense reported in the consolidated income statement	-	-
Income tax attributable to discontinued operations	-	-
	-	-

3.5.3. Deferred tax liabilities @ 25% (2021: 26%) have not been recognised in respect of

	2022 \$	2021 \$
Deferred tax liabilities @ 25% (2021: 26%) have not been recognised in respect of		
Exploration & Evaluation Expenditure	454,170	35,000
Prepayments	15,577	-
	469,747	35,000

3.5.4. Deferred tax assets have not been recognised in respect of

	2022 \$	2021 \$
Provisions and accruals	10,895	16,314
Capital raising costs	86,395	-
Carry forward revenue losses	748,136	-
	845,426	16,314

3.6. Loss Per Share

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

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

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

3.6. Loss Per Share (Cont)

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2022 \$	2021 \$
Gain/(Loss) attributable to ordinary shareholders	(2,119,478)	(205,583)
Issued number of ordinary shares at 1 July 2021	5,750,000	-
Effect of shares issued during the period	45,298,804	5,750,000
Weighted average number of shares for period to 30 June 2022	42,059,173	197,945
	Cents	Cents
Basic loss per share (cents per share)	(0.05)	(1.04)

As at reporting date, unlisted options (which represent potential ordinary shares) were not dilutive as they would decrease the loss per share.

4. Working Capital Management

4.1. Cash and Cash Equivalents

"Cash and cash equivalents" includes cash on hand, deposits held at call with financial institutions and other 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 statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

	2022 \$	2021 \$
Cash at bank and in hand	1,586,230	22,310

4.2. Reconciliation of Net Loss After Income Tax Expense to Net Cash Used In Operating Activities

	2022 \$	2021 \$
Cash flows from operating activities		
(Loss) for the period	(2,119,478)	(205,583)
Adjustments for:		
Interest expense	3,357	1,359
Equity-settled share-based payment expenses	1,150,757	-
Profit/Loss on foreign exchange	504	-
Exploration expenditure write off	269	-
Forgiveness of loans	(93,973)	-
Depreciation and amortisation expense	36,634	-
Change in operating assets & liabilities		
(Increase) / decrease in receivables	(20,257)	(16,347)
Increase/(decrease) in payables	(36,745)	158,881
Increase/(decrease) in accruals	(39,420)	-
Increase/(decrease) in other payables	19,837	-
Increase/(decrease) in provisions	25,581	-
Net cash used in operating activities	(1,072,934)	(61,690)

4.3. Trade and Other Receivables

Trade receivables are initially recognised and carried at original invoice amount less allowance for expected credit loss. Trade receivables are due for settlement no more than 30 days from the date of recognition. A provision for impairment is made based on a forward-looking expected credit loss model in line the requirements of AASB 9. Bad debts are written off when identified.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

4.3. Trade and Other Receivables (Cont)

	2022 \$	2021 \$
Loans	-	41,456
GST receivable	73,085	16,347
Total trade and other receivables	<u>73,085</u>	<u>57,803</u>

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 30 June reporting dates under review are of good credit quality (refer to 5.6.1).

4.4. Trade and Other Payables

Trade and other payables are carried at amortised cost and represent liabilities for the goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days.

	2022 \$	2021 \$
Trade payables	151,904	105,117
Accrued expenses	18,600	62,745
Provision for employee leave	25,581	-
Total trade and other payables	<u>196,085</u>	<u>167,862</u>

5. Funding and risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

5.1. Contributed Equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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.

	2022 \$	2021 \$
Contributed equity	8,030,100	57,500
Cost of share issue	(800,756)	-
Total contributed equity	<u>7,229,344</u>	<u>57,500</u>

5.2. Movement in shares on issue

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

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

5.2.1. Ordinary Shares

	Date	Number of shares	Issue price \$	Value \$
Balance at 12 February 2021		-	-	-
Issue of Shares - Founders	10/06/2021	2,500,000	0.01	25,000
Issue of Shares - Founders	21/06/2021	250,000	0.01	2,500
Issue of Shares - Founders	22/06/2021	2,500,000	0.01	25,000
Issue of Shares - Founders	30/06/2021	500,000	0.01	5,000
Balance at 30 June 2021		5,750,000		57,500
Issue of Shares - Founders	2/07/2021	250,000	0.01	2,500
Issue of Shares - Founders	2/07/2021	500,000	0.01	5,000
Issue of Shares - Founders	5/07/2021	500,000	0.01	5,000
Issue of Shares - Seed Capital	9/07/2021	2,000,000	0.02	40,000
Issue of Shares - Founders	9/07/2021	250,000	0.10	25,000
Issue of Shares - Seed Capital	23/07/2021	450,000	0.10	45,000
Issue of Shares - Seed Capital	26/07/2021	100,000	0.10	10,000
Issue of Shares - Seed Capital	27/07/2021	100,000	0.10	10,000
Issue of Shares - Seed Capital	28/07/2021	150,000	0.10	15,000
Issue of Shares - Seed Capital	29/07/2021	100,000	0.10	10,000
Issue of Shares - Seed Capital	2/08/2021	100,000	0.10	10,000
Issue of Shares - Seed Capital	3/08/2021	150,000	0.10	15,000
Issue of Shares - Seed Capital	5/08/2021	2,200,000	0.10	220,000
Issue of Shares - Seed Capital	9/08/2021	100,000	0.10	10,000
Issue of Shares - Seed Capital	11/08/2021	200,000	0.10	20,000
Issue of Shares - Seed Capital	12/08/2021	550,000	0.10	55,000
Issue of Shares - Seed Capital	16/08/2021	450,000	0.10	45,000
Issue of Shares - Seed Capital	6/09/2021	100,000	0.10	10,000
Issue of Shares - IPO	21/09/2021	25,000,000	0.20	5,000,000
Issue of Shares - Tenement Vendors	21/09/2021	2,500,000	0.20	500,000
Issue of Shares - Asset Acquisition	21/09/2021	9,500,000	0.20	1,900,000
Issue of Shares - Tenement Vendor	23/02/2022	48,804	0.41	20,000
Cost of Capital raising				(800,756)
Balance at 30 June 2022		51,048,804		7,229,244

5.3. Unlisted options

	2022 Number	2021 Number
Issued during the year	21,500,000	-
Expired or lapsed during the year	-	-
Outstanding at the end of the year	21,500,000	-
Exercisable at the end of the period	-	-

The weighted average exercise price for the unlisted options is \$0.3491 each.

5.4. Performance Securities

The Option Agreement with Firefly Resources Limited included the issue of Deferred Consideration Shares (Performance Shares). The condition for the issuance of those shares has not been met as the Milestone was not achieved.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

5.4. Performance Securities (Cont)

Upon meeting the Milestone Forrestania will issue Firefly Resources Limited 2,500,000 fully paid ordinary shares at a deemed issue price of 20 cents each.

The management has assessed the probability of being required to issue Deferred Consideration Shares at 5%.

- Milestone:
 - the Deferred Consideration Shares will be issued upon the Announcement by Forrestania of a JORC 2012 compliant Inferred, Indicated or Measured Mineral Resource of at least 250,000oz of gold at a grade of greater than 2.0 g/t at 0.5 g/t cut off located within the tenement area as verified by an independent competent person.
 - The Milestone will expire on the date that is 3 years from the completion date.
 - No Deferred Consideration Shares were issued or cancelled during the period up until 30 June 2022 and no Milestones have been met.

5.5. Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Being at an exploration stage, the Company does not generate cash inflows from its operations to fund its exploration and working capital requirements, therefore, the Company may issue shares to either generate cash for operations or to acquire assets in order to maintain adequate levels of cash reserves.

During the financial period ended 30 June 2022, the Company issued 45,298,804 ordinary shares

The Company is not subject to any externally imposed capital requirements.

	2022 \$	2021 \$
Interest-bearing loans and borrowings	-	197,641
Trade and other payables	170,504	167,862
Less: cash and short-term deposits	(1,586,230)	(22,310)
Net debt	(1,415,726)	343,193
Equity	7,181,313	(148,083)
Debt-equity ratio	19.7%	231.7%

5.6. Financial risk management

The Group's principal financial instruments comprise cash and short-term on-call deposits.

The main purpose of these financial instruments is to fund capital expenditure on the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. Being at an exploration stage, the Group has limited exposure to risks arising from its financial instruments.

Currently the Group does not have any exposure to commodity price risk or foreign currency risk. As the Group moves into development and production phases, exposure to commodity price risk, foreign currency risk and credit risk are expected to increase. The Board will set appropriate policies to manage these risks dependent on market conditions and requirements at that time.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

5.6.1. Credit risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The Group's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position. The majority of cash and cash equivalents is held with one Australian Bank which has an AA- long-term credit rating from Standard and Poor's.

Wherever possible, the Group trades only with recognised, credit worthy third parties. There are no significant concentrations of credit risk within the Group. Since the Group trades only with recognised third parties, there is no requirement for collateral.

5.6.2. Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient funds to pay its debts as and when they become due and payable. The Group currently does not have major funding in place. However, the Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans if and when required.

Cash at bank and on hand, as set out in Note 4.1, is available for use by the Group without restrictions.

Financial liabilities of the Group at 30 June 2022 are expected to be settled within 6 months of year-end.

5.6.3. Market risk

(A) Price risk

The group is not exposed to equity securities price risk. The group is not exposed to commodity price risk. The sensitivity of movements in the price has not been disclosed as it is not material to the Group.

(B) Foreign currency risk

The group do not have any foreign currency balances and therefore is not exposed to any foreign currency risk.

(C) Interest rate risk

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis represents management's judgement of a reasonably possible movement.

	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss	Equity	Net Gain	Equity
30 June 2022	\$	\$	\$	\$	\$
Cash and cash equivalents	1,586,230	(15,862)	(15,862)	15,862	15,862
Other current assets	73,085	(731)	(731)	731	731

30 June 2021

Cash and cash equivalents	22,310	(223)	(223)	223	223
Other current assets (fixed interest)	57,803	(578)	(578)	578	578

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

(C) Interest rate risk (Cont)

Some of the Group's financial liabilities are interest bearing. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss	Equity	Net Gain	Equity
30 June 2022	\$	\$	\$	\$	\$
Loans (fixed interest)	-	-	-	-	-

	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss	Equity	Net Gain	Equity
30 June 2021	\$	\$	\$	\$	\$
Loans (fixed interest)	197,641	1,976	1,976	(1,976)	(1,976)

6. Group Structure

6.1. Basis of consolidation

6.1.1. Subsidiaries

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

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

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

Name of entity	Country of incorporation	Equity holding %	Date of incorporation
Firehawk Gold Pty Ltd	Australia	100	07/12/2020
Tigers Paw Prospecting No 1 Pty Ltd	Australia	100	27/01/2021
Quattro Gold Pty Ltd	Australia	100	08/02/2019
BA Exploration Pty Ltd	Australia	100	18/12/2017

6.1.2. Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

6.1.3. Comparatives

The company acquired the subsidiaries on 28 September 2021, and as a result there are no comparatives.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

6.2. Parent Entity Information

The following information relates to the parent entity, Forrestania Resources Limited. The information presented has been prepared using accounting policies that are consistent with those presented in the Notes to the Financial Statements.

	2022
	\$
Current Assets	3,107,232
Non-Current Assets	3,782,967
Total Assets	6,890,199
Current Liabilities	155,704
Total Liabilities	155,704
Contributed equity	7,229,244
Accumulated losses	(2,388,068)
Reserves	1,893,319
Total Equity	6,734,495
Gain (loss) for the period	(2,182,484)
Other comprehensive income / (loss) for the period	-
Total comprehensive income / (loss) for the period	(2,182,484)

Forrestania Resources Limited has not issued any guarantees on behalf of subsidiaries.

7. Related Parties

7.1. Related Parties

Details relating to key management personnel, including remuneration paid, are included in the audited remuneration report section of the directors' report. The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2022	2021
	\$	\$
Short term employee benefits	333,223	-
Post-employment benefits	25,260	-
Share based payments	726,059	-
Total compensation	1,084,542	-

7.2. Transactions with Other Related Parties

During the period 1 July 2021 to 31 January 2022, office accommodation and administration services were provided by Bowman Gate Pty Ltd, a company that is controlled by David Izzard. An amount of \$134,232 was invoiced by Bowman Gate Pty Ltd, for provision of these services for the period up to 30 June 2022.

During the period 1 February to 30 June 2022, office accommodation and administration services were provided by Rockford Partners Pty Ltd, a company that is controlled by David Izzard and John Hannaford. An amount of \$66,040 was invoiced by Rockford Partners Pty Ltd, for provision of these services for the period up to 30 June 2022.

During the period 1 January to 30 June 2022, a commercial storage facility was provided by Fordrock Pty Ltd, a company that is controlled by David Izzard and John Hannaford. An amount of \$5,000 was invoiced by Fordrock Pty Ltd, for provision of this service for the period up to 30 June 2022.

During the period to 30 June, an interest payment of \$2,170 was made to Hop Valley Pty Ltd, a company controlled by David Izzard. This was in respect to pre-listing a loan made to the Company. The loan was repaid in full upon the Company's listing in September 2021.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

7.2. Transactions with Other Related Parties (Cont)

During the period to 30 June, an interest payment of \$801 was made to Riverview Corporate Pty Ltd Ltd, a company controlled by John Hannaford. This was in respect to pre-listing a loan made to the Company. The loan was repaid in full upon the Company's listing in September 2021.

During the period \$41,575 was paid to Riverview Corporate Pty Ltd, of which Mr John Hannaford is a director, for consulting fees.

During the period \$5,000 was paid to Toru Capital Pty Ltd, of which Mr William Higgins is a director, for geological consulting fees.

7.3. Related Party Loans

The Company had unsecured loans payable to the following entities. These loans were repayable within 12 months and had an interest rate of 6% per annum.

	2022 \$	2021 \$
Rockford Partners Pty Ltd	-	84,490
Hop Valley Holdings Ltd	-	85,984
Riverview Corporation Pty Ltd	-	27,167
Total Loans Payable	-	197,641

David Izzard is a director of both the Company and of all entities above except for Riverview Corporation Pty Ltd. John Hannaford is a director of both the Company and all entities above except for Hop Valley Holdings Pty Ltd.

Forrestania Resources provided loans to the following entities. These loans were issued at 6% interest and were repayable within 12 months.

	2022 \$	2021 \$
Tigers Paw Prospecting No 1 Pty Ltd	-	4,852
Quattro Gold Pty Ltd	-	32,275
Total Loans Receivable	-	37,127

David Izzard and John Hannaford are directors of the Company and of both entities above.

Forrestania Resources has provided loans to the following entities, it has not entered into formal loan agreements, nor is interest payable.

	2022 \$	2021 \$
BA Exploration Pty Ltd	-	839
Total Loans Receivable	-	839

William Higgins is a director of both the Company and BA Exploration Pty Ltd.

8. Share Based Payments

8.1. Share Based Payments

The Group provides benefits to Directors, employees, consultants and other advisors of the Group in the form of share-based payments, whereby the Directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model or fair value of services.

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

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

8.1. Share Based Payments (cont)

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 recipient becomes 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 Company'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 statement of profit or loss and other comprehensive income charge or credit 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 recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. 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 award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of loss per share (see Note 3.6).

The effect of such an arrangement is equivalent to an option with a strike price per share equal to the share price on grant date.

8.2. Employee Incentive Plan

The Forresteria Resources Limited Employee Securities Incentive Plan (Plan) was adopted by the Board on 23 June 2021.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options granted as consideration for services provided to the Company during the period:

	2022 Number	2022 WAEP
Outstanding at the beginning of the period	-	
Granted during the period	8,250,000	\$0.1431
Expired or lapsed during the period	-	
Outstanding at the end of the period	8,250,000	
Exercisable at the end of the period	-	

Weighted average remaining contractual life of options at 30 June 2022: 38.77 months

Option pricing model:

Options granted during the period have been valued using the Black-Scholes Option Valuation model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants made during the period ended 30 June 2022.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

8.2.1. Options

	Employee incentive options	Employee incentive options	Employee incentive options	Employee incentive options	Employee incentive options	Employee incentive options
Date of issue	17/02/22	17/02/22	17/02/22	17/02/22	17/02/22	17/02/22
Number of options	750,000	750,000	375,000	375,000	375,000	375,000
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%	100%	100%
Risk free interest rate (%)	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%
Expected life of the option (years)	3.5	3	3.5	3	3.5	3
Option exercise price (\$)	0.65	0.60	0.65	0.60	0.65	0.60
Share price at grant date (\$)	0.35	0.35	0.28	0.28	0.36	0.36
Expected Vesting Date	17/02/23	17/07/22	17/02/23	17/07/22	17/02/23	17/07/22
Fair value per option (\$)	0.1860	0.1751	0.1255	0.1301	0.1933	0.1822
Total value at grant date (\$)	50,824	116,422	17,147	43,254	88,818	60,589
Expiry Date	17/07/25	17/02/25	17/07/25	17/02/25	17/07/25	17/02/25
	750,000	750,000	375,000	375,000	375,000	375,000
	Employee incentive options	Employee incentive options	Employee incentive options	Vendor options	Board Options	Broker options
Date of issue	11/04/22	11/04/22	17/08/21	28/09/21	21/09/21	28/09/21
Number of options	125,000	125,000	500,000	2,250,000	5,000,000	3,500,000
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%	100%	100%
Risk free interest rate (%)	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%
Expected life of the option (years)	3.5	3	4.0	4.0	4.0	4.0
Option exercise price (\$)	0.65	0.60	0.30	0.30	0.30	0.30
Share price at grant date (\$)	0.39	0.39	0.20	0.20	0.20	0.20
Expected Vesting Date	16/06/23	16/12/22	05/01/22	21/09/21	27/06/21	21/09/21
Fair value per option (\$)	0.2155	0.2040	0.1242	0.1242	0.1242	0.1242
Total value at grant date (\$)	5,001	8,193	59,894	279,420	620,903	438,156
Expiry Date	16/11/25	16/05/25	17/08/25	28/09/25	27/06/25	28/09/25
Related party issues						
John Hannaford				762,500	1,500,000	
David Izzard				762,500	1,500,000	
William Higgins				312,500	1,500,000	
Non-related party issue				412,500	500,000	3,500,000
	125,000	125,000	500,000	2,250,000	5,000,000	3,500,000

The dividend yield reflects the assumption that the current dividend payout will remain unchanged. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

8.2.2. Recognised share-based payments expense in profit or loss

	30-Jun-22 \$	30-Jun-21 \$
Expense arising from employee options issued	362,608	-
Expense arising from board options issued	788,149	-
Total share-based payments expensed in profit or loss	1,150,757	-

8.2.3. Shares

No shares were issued to suppliers in exchange for services in the period ended 30 June 2022.

9. Reserves

	30-Jun22 \$	Number of Options/Perfor mance shares
Founder options	-	7,000,000
Employee options	529,854	3,750,000
Broker options	438,156	3,500,000
Board member options	620,903	5,000,000
Vendor options	279,406	2,250,000
Total options held in reserve	1,868,319	21,500,000
Issued to vendors – performance shares	25,000	2,500,000
Total performance shared held in reserve	25,000	2,500,000
Total Reserves	1,893,319	24,000,000

10. Other

10.1. There are no matters subsequent to the end of the financial year to report.

10.2. Commitments

The Company has certain obligations to perform minimum exploration work on the tenements in which it has an interest. These obligations vary from time to time. The aggregate of the prescribed expenditure conditions applicable to the granted tenements for the next twelve months amounts to \$717,100.

1 Year or less	1 – 5 years	Greater than 5 years
\$717,100	-	-

10.3. Contingent assets and liabilities

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

10.4. Remuneration of Auditors

	2022 \$	2021 \$
Amount received or due and receivable by the auditor for:		
Auditing the financial statements, including audit review - current period audits	34,606	10,000
Non-Audit services	-	6,000
Total remuneration of auditors	34,606	16,000

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

10.5. New and amended accounting standards

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

10.6. New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Company has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

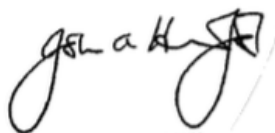
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Directors Declaration

In accordance with a resolution of the directors of Forrester Resources Limited, I state that:

- (1) In the opinion of the directors:
 - (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Group 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 period ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (3) 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 period ended 30 June 2022.

On behalf of the Board.



John Hannaford
Chairman
30 September 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FORRESTANIA RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Forrestania Resources Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), 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:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2022 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.1.

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 Consolidated Entity 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.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1.6 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$2,119,478 during the year ended 30 June 2022. As stated in Note 1.6, these events or conditions, along with other matters as set forth in Note 1.6, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration and Evaluation Expenditure</p> <p>As disclosed in note 2.1 to the financial statements, as at 30 June 2022, the Consolidated Entity's capitalised exploration and evaluation expenditure was carried at \$5,176,994.</p> <p>The recognition and recoverability of the exploration and evaluation expenditure was considered a key audit matter due to:</p> <ul style="list-style-type: none"> • The carrying value represents a significant asset of the Consolidated Entity, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount; and • Determining whether impairment indicators exist involves significant judgement by management 	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6"); • Assessing the Consolidated Entity's rights to tenure; • Testing the Consolidated Entity's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB • By testing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: <ul style="list-style-type: none"> ○ The licenses for the rights to explore expiring in the near future or are not expected to be renewed; ○ Substantive expenditure for further

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Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>exploration in the area of interest is not budgeted or planned;</p> <ul style="list-style-type: none"> ○ Decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale. <ul style="list-style-type: none"> ● We also assessed the appropriateness of the related disclosures in note 2.1 to the financial statements.
<p>Accounting for Share Based Payments</p> <p>As disclosed in note 8.2.2 to the financial statements, during the year ended 30 June 2022 the Consolidated Entity incurred share based payments expense of \$1,150,757.</p> <p>Share based payments are considered to be a key audit matter due to</p> <ul style="list-style-type: none"> ● the value of the transactions; ● the complexities involved in the recognition and measurement of these instruments; and ● the judgement involved in determining the inputs used in the valuations. 	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> ● Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with <i>AASB 2 Share Based Payments</i>; ● Evaluating valuation models and assessing the assumptions and inputs used; ● Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; ● Assessing the achievement of relevant milestones; and ● Assessing the adequacy of the disclosures included in Note 8.2.2 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity'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 Note 1.1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability 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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 30th day of September 2022

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Additional Shareholder Information – as at 30 September 2022

1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

ORDINARY SHARES

Position	Holder/Group Name	Balance	% IC
1	FIRETAIL RESOURCES LIMITED	6,250,000	12.24%
2	BOWMAN GATE PTY LTD <THE DISCOVERY A/C>	3,825,000	7.49%
3	JAEK HOLDINGS PTY LTD <THE HANNAFORD FAMILY A/C>	3,275,000	6.42%
4	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	2,275,000	4.46%
5	WEST AUSTRALIAN PROSPECTORS PTY LTD	1,750,000	3.43%
6	DR ROSAMUND JULIEN BANYARD	1,470,500	2.88%
7	MR MICHAEL HOWE	1,215,000	2.38%
8	WILLIAM JOHN HIGGINS	1,125,000	2.20%
8	ASHLEY GARNER BENNETT	1,125,000	2.20%
9	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	1,000,000	1.96%
10	BROADWAY COMPUTERS PTY LTD <AURAN FAMILY A/C>	957,600	1.88%
11	ROCKFORD PARTNERS PTY LTD	625,000	1.22%
12	CITICORP NOMINEES PTY LIMITED	560,792	1.10%
13	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	500,000	0.98%
14	JINDALEE RESOURCES LIMITED	450,000	0.88%
15	MR IAIN MILTON MCDUGALL	435,000	0.85%
16	ZENTAC PTY LTD <HOWLETT FAMILY NO 2 A/C>	412,000	0.81%
17	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	344,529	0.67%
18	BEACHCOVE CAPITAL PTE LTD	300,000	0.59%
19	DR ROSAMUND JULIAN BANYARD & MR PHILLIP STANLEY HOLTEN <R BANYARD SUPER FUND A/C>	291,000	0.57%
20	MS SABINA MARIE SCHLINK <HENSMAN FAMILY A/C>	265,000	0.52%
	Total	28,451,421	55.73%
	Total Issued Capital - Selected Security Class(es)	51,048,804	100.00%

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of security by size holding:

Fully Paid Ordinary Shares	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	18	2,863	0.01%
above 1,000 up to and including 5,000	219	587,415	1.15%
above 5,000 up to and including 10,000	178	1,490,120	2.92%
above 10,000 up to and including 100,000	376	14,285,742	27.98%
above 100,000	63	34,682,664	67.94%
Totals	854	51,048,804	100.00%

Additional Shareholder Information – as at 30 September 2022

Unquoted Options	Holders	Total Units	% Units
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	9	378,000	1.76%
above 100,000	18	21,122,000	98.24%
Totals	27	21,500,000	100.00%

3. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the company's register are:

Holder Name	Holding Balance	% IC
FIRETAIL RESOURCES LIMITED	6,250,000	12.24%
BOWMAN GATE PTY LTD <THE DISCOVERY A/C>	3,825,000	7.49%
JAEK HOLDINGS PTY LTD <THE HANNAFORD FAMILY A/C>	3,275,000	6.42%

4. UNMARKETABLE PARCELS

Holdings less than a marketable parcel of ordinary shares (being 235,579 at \$0.185 as at 30 September 2022)

Fully Paid Ordinary Shares	Holders
Holdings less than a marketable parcel	146

5. VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

6. ON-MARKET BUY BACK

There is currently no on-market buy-back program for any of Forresteria Resources Limited's listed securities.

7. MINERAL RESOURCES

The Company has not announced any mineral resources at any of its projects as at the date of this report.

Additional Shareholder Information – as at 30 September 2022

TENEMENT INFORMATION

Project	Location	Tenement	Status	Interest owned
Forrestania	Kondinin/Lake Grace	E 74/586	Live	100%
Forrestania	Kondinin/Lake Grace	E 74/591	Live	100%
Forrestania	Lake Grace	E 74/627	Live	100%
Forrestania	Kondinin	E 77/2313	Live	100%
Forrestania	Yilgarn	E 77/2364	Live	100%
Forrestania	Kondinin	E 77/2348	Live	100%
Forrestania	Kondinin /Yilgarn	E 77/2345	Live	100%
Forrestania	Kondinin	E 77/2346	Live	100%
Forrestania	Yilgarn	M 77/549	Live	100%
Forrestania	Kondinin	E 77/2575	Live	80%
Forrestania	Kondinin	E 77/2576	Live	80%
Forrestania	Kondinin	E 77/2701	Live	80%
Forrestania	Kondinin	P 77/4326	Live	100%
Forrestania	Kondinin	P 77/4325	Live	100%
Forrestania	Kondinin	E 77/2764	Live	100%
Forrestania	Kondinin	E 77/2637	Live	100%
Forrestania	Yilgarn	E 77/2819	Live	100%
Forrestania	Yilgarn	E 77/2872	Pending	0%
Forrestania	Yilgarn	E 77/2873	Pending	0%
Forrestania	Yilgarn	E 77/2905	Pending	0%
Forrestania	Kondinin	P 77/4600	Live	100%
Forrestania	Kondinin	E 77/2888	Pending	0%
Forrestania	Yilgarn	E 77/2926	Pending	0%
Southern Cross	Yilgarn	M 77/1266	Live	100%
Southern Cross	Yilgarn	P 77/4544	Live	100%
Southern Cross	Yilgarn	P 77/4546	Live	100%
Southern Cross	Yilgarn	E 77/2656	Live	100%
Southern Cross	Yilgarn	E 77/2676	Pending	0%
Southern Cross	Yilgarn	E 77/2830	Pending	0%
Southern Cross	Yilgarn	E 77/2832	Pending	0%
Leonora	Menzies	E 29/1158	Live	100%
Leonora	Leonora	E 37/1416	Live	100%
Leonora	Menzies	E 29/1103	Live	100%
Leonora	Menzies	E 29/1118	Live	100%
Leonora	Menzies	E 29/1119	Pending	0%
Leonora	Leonora /Laverton	E 39/2222	Pending	0%
Leonora	Leonora /Laverton	E 37/1438	Pending	0%
Leonora	Kalgoorlie-Boulder	E 24/210	Granted	100%

Additional Shareholder Information – as at 30 September 2022

Project	Location	Tenement	Status	Interest owned
Leonora	Menzies	E 29/1103	Granted	100%
Leonora	Leonora	E 37/1416	Granted	100%
Leonora	Leonora	E29/1215	Pending	-
Leonora	Leonora	E29/1216	Pending	-

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