



# 2023 ANNUAL REPORT

ABN 44 114 553 392



## **CORPORATE DIRECTORY**

### **DIRECTORS**

#### **Executive**

Joshua Pitt - Chairman

#### **Non Executive**

Garry Strong  
Mark Okeby  
Nanette Allen

### **CHIEF EXECUTIVE OFFICER**

Michael Wall

### **COMPANY SECRETARY**

Ira Gibbs

### **REGISTERED OFFICE**

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West Perth WA 6005  
Tel: (08) 9481 8627  
Email: [redhillinfo@redhillminerals.com.au](mailto:redhillinfo@redhillminerals.com.au)

### **AUDITOR**

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

### **HOME EXCHANGE**

Australian Securities Exchange (ASX)

### **ASX CODE**

RHI

### **SHARE REGISTRY**

Automic Group  
Level 5, 126 Phillip Street  
SYDNEY NSW 2000  
Telephone: 1300 288 664  
Email: [hello@automic.com.au](mailto:hello@automic.com.au)

### **WEBSITE**

[www.redhillminerals.com.au](http://www.redhillminerals.com.au)

### **CORPORATE GOVERNANCE STATEMENT**

<https://redhillminerals.com.au/about>

Red Hill Minerals Limited (ABN 44 114 553 392) is a public listed company incorporated and domiciled in Australia

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Dear Shareholders,

It is my pleasure to present you with the Red Hill Minerals Limited (the Company) Annual Report for the 2023 financial year. The report underlines the enviable financial strength of the Company which your board believes should be maintained well into the future supported by a healthy income stream from our iron ore royalties derived from the Onslow Iron Project (OIP). The report also provides an insight into the substantial progress being made by our exploration team which is rapidly advancing our base metal and gold exploration programs.

Our exploration team is working on site at the same time as major construction activities are being carried out to establish the 35 million tonne per year OIP. This requires a great deal of cooperation between our field crews, the OIP managers, Mineral Resources Limited (MinRes) and their project contractors. I would like to thank our CEO, Michael Wall, and our Chief Geologist, Glenn Martin, and their exploration team for their efforts during this period and express our appreciation to the MinRes management for their help in establishing such a solid and successful working relationship. It is anticipated that our exploration will benefit from site infrastructure improvements once the mine is established and iron ore operations are fully underway, which is currently expected by the end of June next year.

In July our long serving Company Secretary, Peter Ruttledge, retired and, on behalf of all shareholders, I would like to thank Peter for his guidance and encouragement since the formation of the Company. We welcome Ira Gibbs as Peter's replacement. Ira has worked at Red Hill Minerals for many years and has helped keep our financials in order.

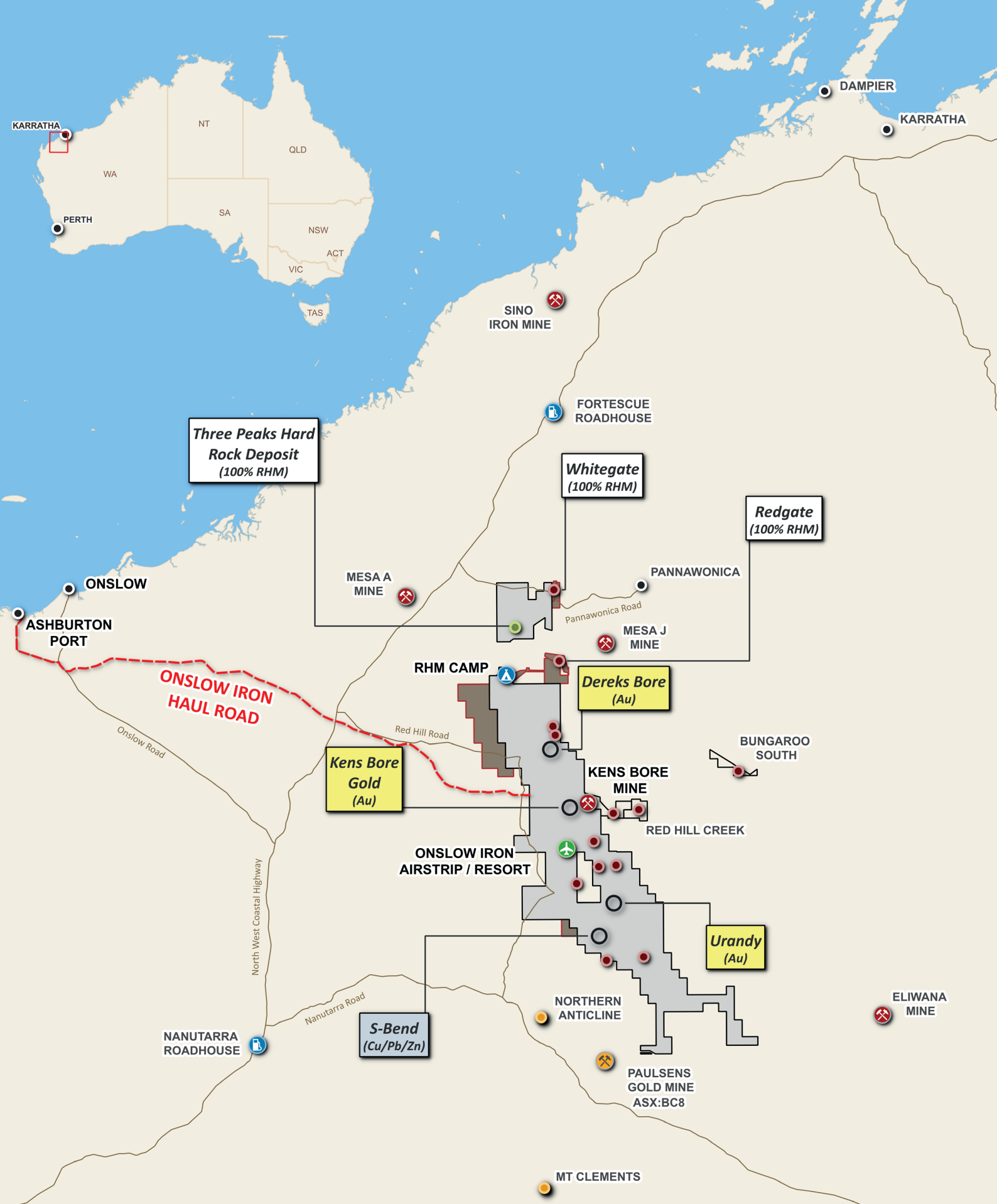
Mid 2024 we expect to receive payment of the balance of the sale proceeds of our interest in the Red Hill Iron Ore Joint Venture and see the commencement of an iron ore royalty stream for our Company, and we look forward to the benefits of the sophisticated base metal and gold exploration programs starting to emerge.

I would like to thank you on behalf of the board for your support.

Joshua Pitt  
Chairman

21 September 2023





**Three Peaks Hard Rock Deposit (100% RHM)**

**Whitegate (100% RHM)**



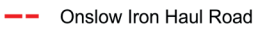


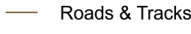




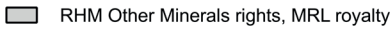

**Redgate (100% RHM)**

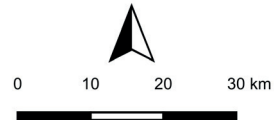
**Kens Bore Gold (Au)**

**Dereks Bore (Au)**

**Urandy (Au)**

**S-Bend (Cu/Pb/Zn)**

-  Prospects
-  Iron Ore Deposits
-  Onslow Iron Haul Road
-  Iron Mine
-  Hard Rock Deposits
-  Roads & Tracks
-  Gold Mine
-  Gold Deposits
-  100% RHM Tenements
-  Town / Port
-  RHM Other Minerals rights, MRL royalty
-  Royalty Tenements (Refer RHI ASX Release 23/07/2021)







VTEM over the West Pilbara  
Gold and Base Metal Project



## OVERVIEW

Following the sale of the Company's 40% interest in the Red Hill Iron Ore Joint Venture (RHIOJV) to Mineral Resources Limited (MinRes) in 2021, MinRes has moved rapidly to bring those assets into production as an integral component of the Onslow Iron Project (OIP). MinRes has reported that it anticipates first ore production from the OIP in June 2024<sup>1</sup>, at which time the Company will receive a further \$200m cash payment and the commencement of a 0.75% royalty<sup>2</sup> stream.

Since the sale of its RHIOJV interest, the Company has assumed management for, and expanded the base and precious metals exploration program over, the RHIOJV tenement area and for which it has retained all rights.

While historical exploration of the RHIOJV tenement package predominantly focused on iron ore, the Company considers the area to have potential to contain significant gold and base metal mineralisation and is focused on systematically exploring the project using the latest exploration techniques.

The Company also owns the Pannawonica Iron Ore Project and the Three Peaks Hard Rock Project and continues to seek opportunities to advance these projects.



Red Hill Minerals 12 room  
Exploration Camp

## THE WEST PILBARA GOLD AND BASE METAL PROJECT

The Company has built a strong exploration team over the course of the year to focus on the West Pilbara Gold and Base Metal Project. The first phase of the 2023 programme has been to evaluate the large geological database accumulated over the decades, rank selected targets, and undertake first pass sampling and ground truthing programs, to progress targets ready for drill testing.

The database was enhanced by the commissioning of a helicopter-borne electromagnetic (VTEM) survey covering the entire northern extent of the 1,600 square kilometre project to merge with an earlier survey covering the southern portion. 33 high priority conductor plates were identified at 13 targets. The Company also employed drone magnetic and gravity surveys at selected targets where appropriate and carried out extensive soil sampling programs to support electromagnetic targeting.

Heritage surveys of all priority targets are required and will be undertaken before ground disturbing works can commence. To date three archaeological surveys and one ethnographic heritage survey were completed across 28 target areas. Site clearance programs are ongoing, as part of the target evaluation process.

23 RC drill holes were completed totalling 4,201 metres providing initial proof of concept testing of 8 targets.

Figure 1: Red Hill Minerals Location Plan

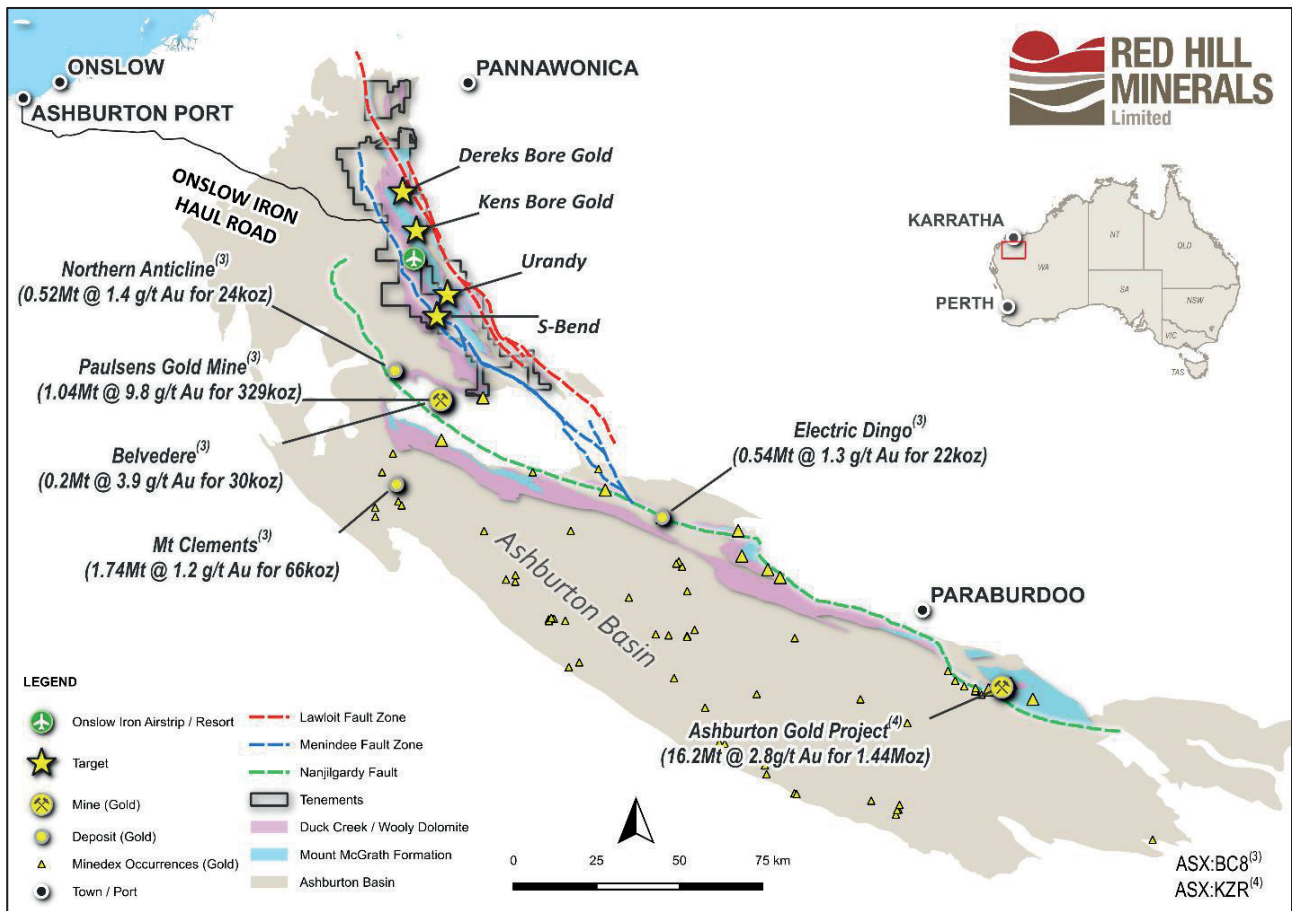
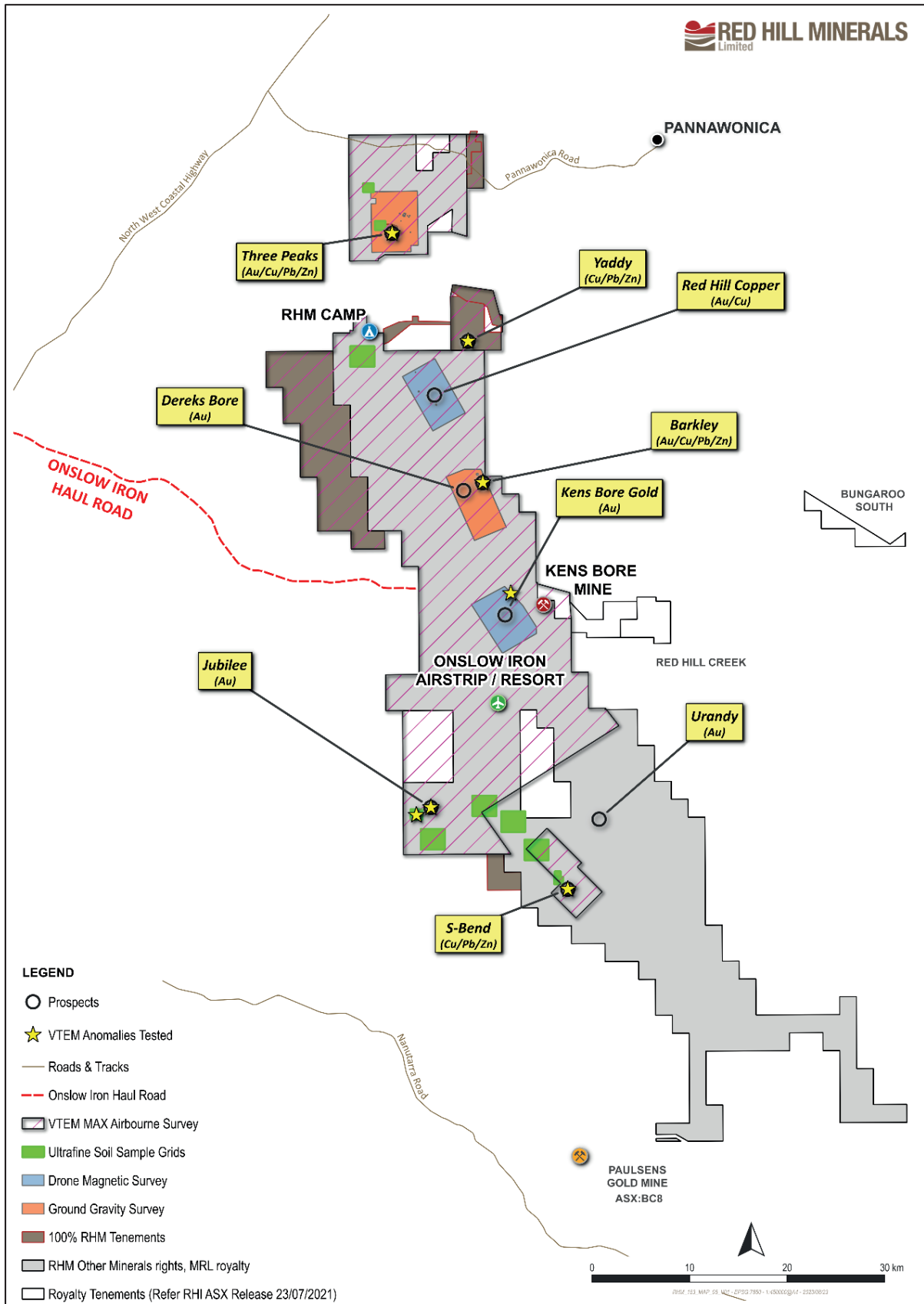




Figure 2: West Pilbara Gold and Base Metal Project Location Plan



TARGET DETAILS

URANDY GOLD TARGET

The Urandy Gold Target is defined by a series of >10ppb gold in soil anomalies extending approximately 1.25 kilometres in strike length and related to brecciation and silicification along the unconformity between the Wooly Dolomite and the Mt McGrath Formation. Historical anomalous drillhole intercepts<sup>5</sup> include:

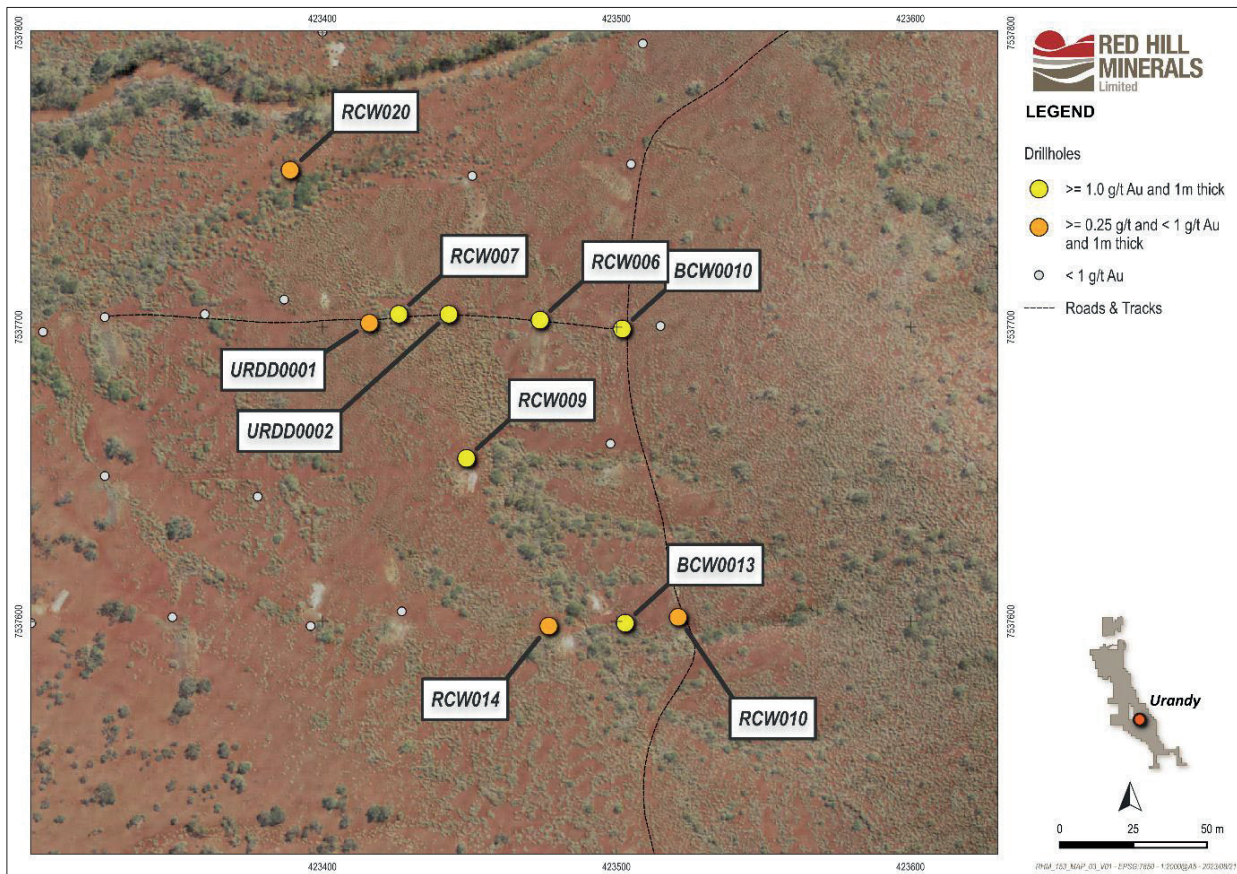
- 7 metres at 2.3 grams per tonne gold from 1 metre in BCW0010,
- 2 metres at 1.2 grams per tonne gold from 36 metres in BCW0013,
- 9 metres at 1.8 grams per tonne gold from 14 metres in RCW006,
- 2 metres at 1.1 grams per tonne gold from 42 metres in RCW009, and
- 9 metres at 5.1 grams per tonne gold from 46 metres in RCW007.

Diamond drill holes URDD0001 and URDD0002 were drilled to test the down-dip and up-dip (respectively) continuity of mineralisation in hole RCW007. Assay results from URDD0002 identified a gold intercept of:

- 5.4 metres at 4.4 grams per tonne gold from 42 metres in URDD0002.

Further work is planned at the Urandy Prospect during 2024.

Figure 3: Drillhole Locations at Urandy Gold Target





**DEREKS BORE GOLD TARGET**

The Dereks Bore Target has a 1.3 kilometre strike length defined by a series of >10ppb gold soil anomalies, at or near a faulted/sheared contact between the Duck Creek Dolomite and the Mt McGrath Formation. The 2023 drill program was designed to follow up anomalous gold intercepts identified in previous drilling. Historical intercepts include<sup>5</sup>:

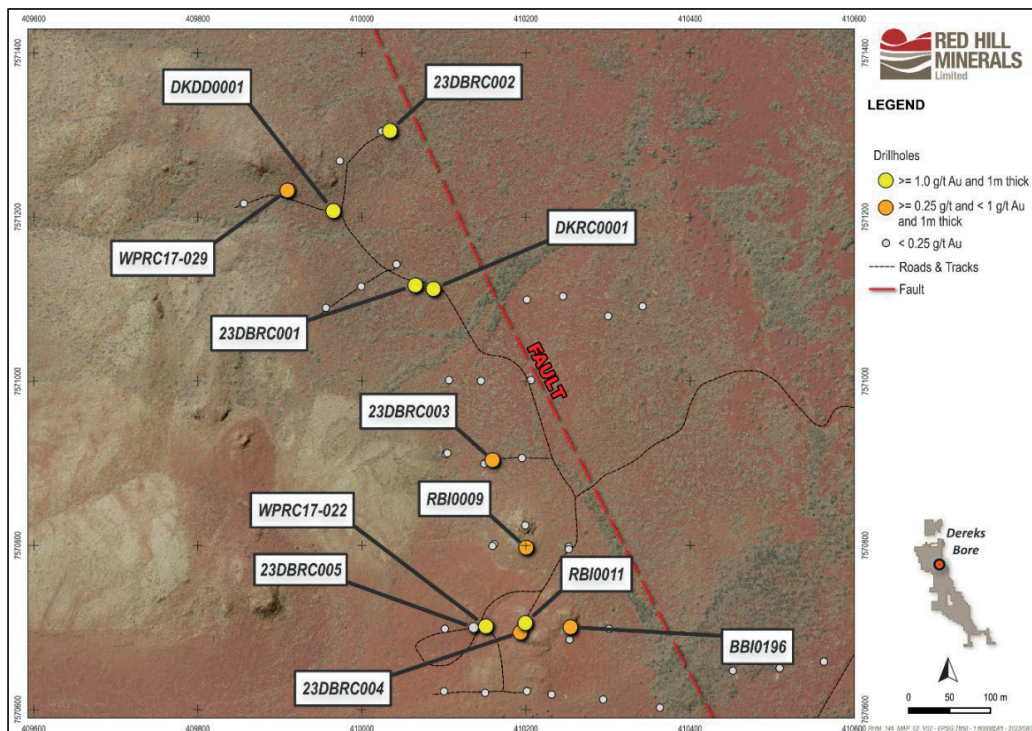
- 8 metres at 1.1 grams per tonne gold from surface in WPRC17-022,
- 4 metres at 0.5 grams per tonne gold from 20 metres in WPRC17-029,
- 19 metres at 0.5 grams per tonne gold from surface in RBI0009,
- 5 metres at 0.6 grams per tonne gold from surface including in RBI0011,
- 4 metres at 0.6 grams per tonne gold from 7 metres in BBI0196,
- 1 metre at 0.8 grams per tonne gold from 29 metres in DKDD0001,
- 2 metres at 2.0 grams per tonne gold from 58 metres in DKRC0001,
- 4 metres at 0.8 grams per tonne gold from 74 metres in DKRC0001, and
- 2 metres at 1.3 grams per tonne gold from 82 metres in DKRC0001.

During the period 5 RC holes were drilled for 696 metres (23DBRC001-005) and tested approximately 600 metres of strike around the existing intercepts along a steep gravity gradient that defines an interpreted NNW fault. Drilling intersected chert, shales, and basalt with encouraging silicification and vein related pyrite observed throughout. Anomalous gold intercepts from this drilling include<sup>6</sup>:

- 1 metre at 1.0 grams per tonne gold from 38 metres in 23DBRC001,
- 1 metre at 0.25 grams per tonne gold from 43 metres in 23DBRC001,
- 2 metres at 1.5 grams per tonne gold from 48 metres in 23DBRC001,
- 2 metres at 0.4 grams per tonne gold from 84 metres in 23DBRC001,
- 1 metre at 0.7 grams per tonne gold from 80 metres in 23DBRC002
- 2 metres at 2.2 grams per tonne gold from 84 metres in 23DBRC002,
- 2 metres at 0.3 grams per tonne gold from 2 metres in 23DBRC002,
- 1 metre at 0.25 grams per tonne gold from 21 metres in 23DBRC003, and
- 10 metres at 0.25 grams per tonne gold from surface in 23DBRC004.

Results confirm mineralisation identified in the historical drilling is open down dip and along strike to the NNW for a further 600 metres. Heritage surveys are in progress to allow follow up drilling along this zone in 2024.

**Figure 4: RC Drilling Results at the Dereks Bore Gold Target**



**KENS BORE GOLD TARGET**

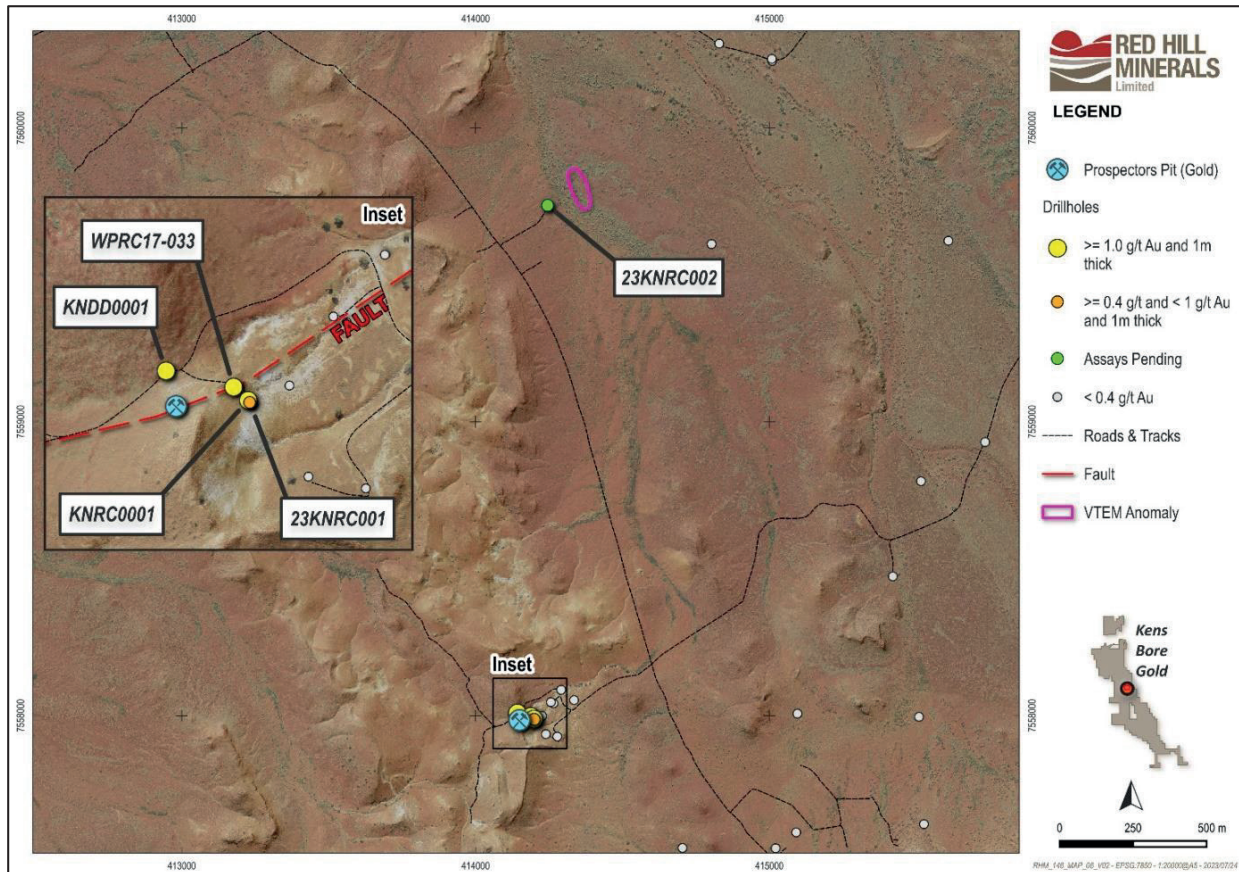
The Kens Bore Gold Target is defined by two East-West oriented >10ppb gold soil anomalies associated with the unconformity between the Cheela Springs Basalt and the overlying Mt McGrath Formation. Historic drilling results<sup>7</sup> at Kens Bore include:

- 4 metres at 1.0 grams per tonne gold from 36 metres in WPRC17-033 (EOH),
- 1 metre at 1.0 gram per tonne gold from 2 metres in KNDD0001, and
- 18 metres at 0.8 grams per tonne gold from 18 metres in KNRC0001.

During the period 23KNRC001 was drilled to test for a down dip extension of the result from KNRC0001. 23KNRC001 intersected 15 metres at 0.45 grams per tonne gold from 20 metres<sup>6</sup> and confirmed mineralisation is related to a stratabound zone of silica-sericite alteration within fine grained sediments of the Mt McGrath Formation. Mineralisation remains open down-dip and along strike to the south and heritage surveys are in progress to enable further drilling of this area in 2024.

A second RC hole (23KNRC002) was drilled to test a priority VTEM anomaly across an interpreted NNW structure. Further work will determine whether downhole EM and follow up drilling of this VTEM target is warranted.

**Figure 5: RC Drilling Results at the Kens Bore Gold Target**





**JUBILEE GOLD AND BASE METAL TARGET**

The Jubilee Target is defined by low level (>5ppb) gold in soil anomalies associated with a major NW fault within the June Hill Volcanics and the Ashburton Formation.

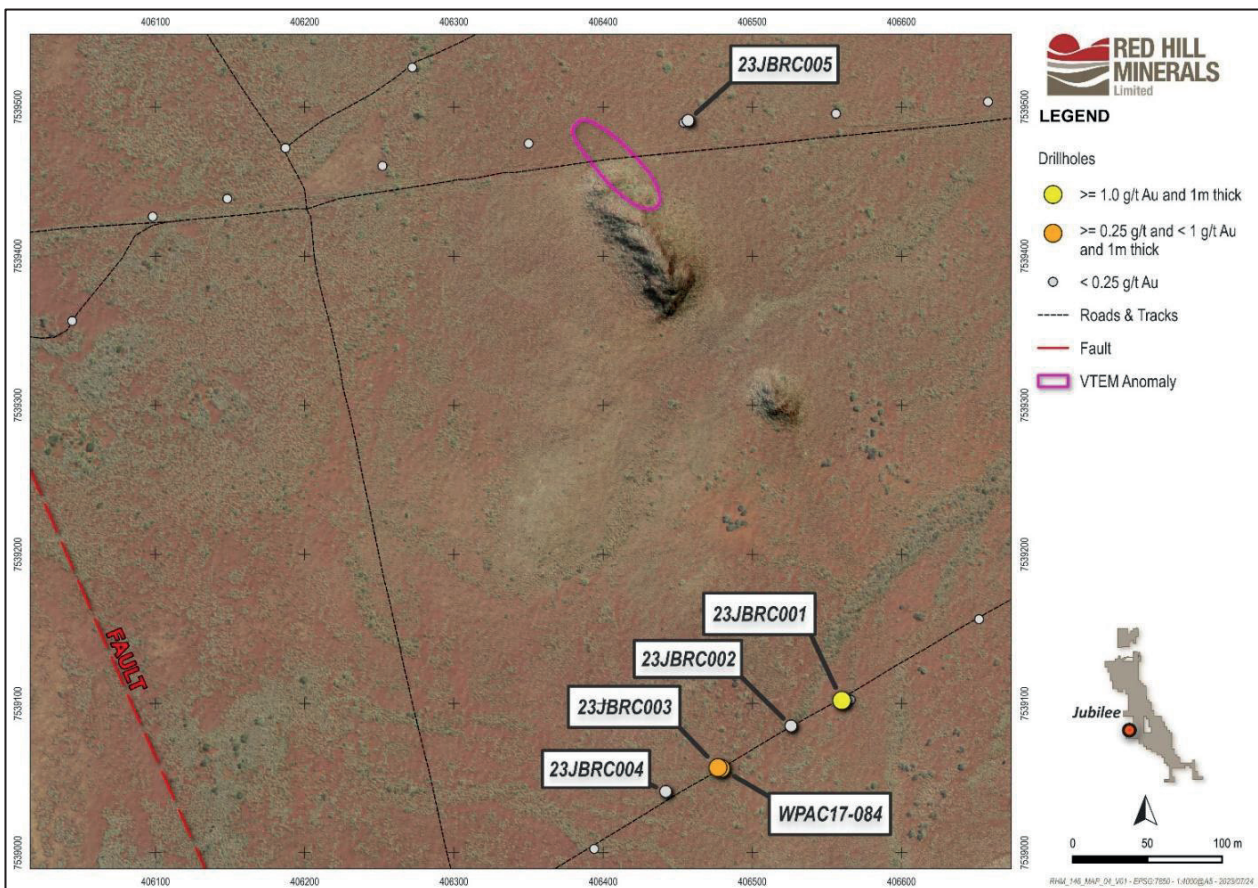
4 RC holes for 432 metres (23JBRC001-004) were drilled to follow up anomalous gold-arsenic results from historic shallow Air Core (AC) drilling that included 1 metre at 0.3 grams per tonne gold from 4 metres in WPAC17-084<sup>8</sup>.

The RC drillholes intersected faulted chert breccia and volcanics with assays returning low level Au with anomalous As-Sb extending the anomalous zone previously identified in AC drilling. Significant results from this drilling include<sup>6</sup>:

- 1 metre at 1.0 gram per tonne gold from 12 metres in 23JBRC001, and
- 1 metre at 0.4 grams per tonne gold from 3 metres in 23JBRC003.

A fifth RC hole (23JBRC005) was designed to test a priority VTEM anomaly. Assays results and geological logging from 23JBRC005 failed to explain the VTEM anomaly and further work will determine whether downhole EM and follow up drilling of this VTEM target is warranted.

**Figure 6: RC Drilling Results at the Jubilee Gold Target**



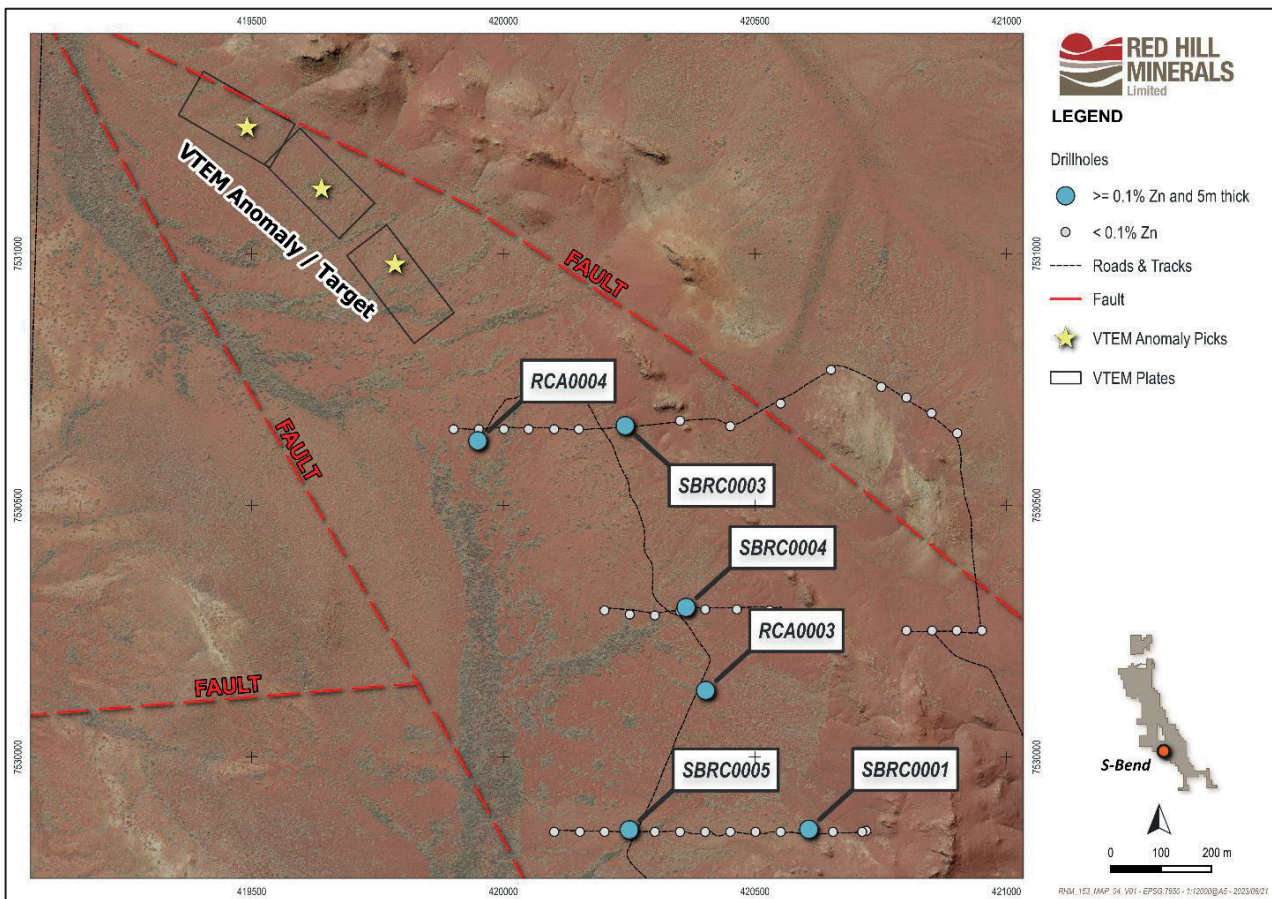
**S-BEND BASE METAL TARGET**

The S-Bend Target is defined by a zinc-in-soil anomaly and anomalous zinc assays in drilling, which appear to be related to mineralisation developed in a fault-bound wedge of the Mt McGrath Formation and the Woolly Dolomite. Historic anomalous drillhole intercepts include<sup>5</sup>:

- 20 metres at 0.15% copper, 0.63% lead and 0.24% zinc from 40 metres in SBRC001,
- 5 metres at 0.65% zinc from 80 metres in RCA0003,
- 85 metres at 0.13% zinc including 5 metres at 0.52% zinc from 90 metres in RCA0004,
- 10 metres at 0.29% zinc from 40 metres in SBRC0003,
- 10 metres at 1.32% zinc from 50 metres in SBRC0004, and
- 8 metres at 0.19% zinc from 96 metres in SBRC0005.

The 2022 VTEM survey identified a high priority target (VT4) located approximately 735 metres NW of the northernmost historical drill line under shallow alluvial cover. Heritage surveys to access this target are in progress and RC drilling is expected to commence later in 2023.

**Figure 7: Location Plan of S-Bend Target and Priority 1 VTEM Anomaly (VT4)**





**BARKLEY GOLD AND BASE METAL TARGET**

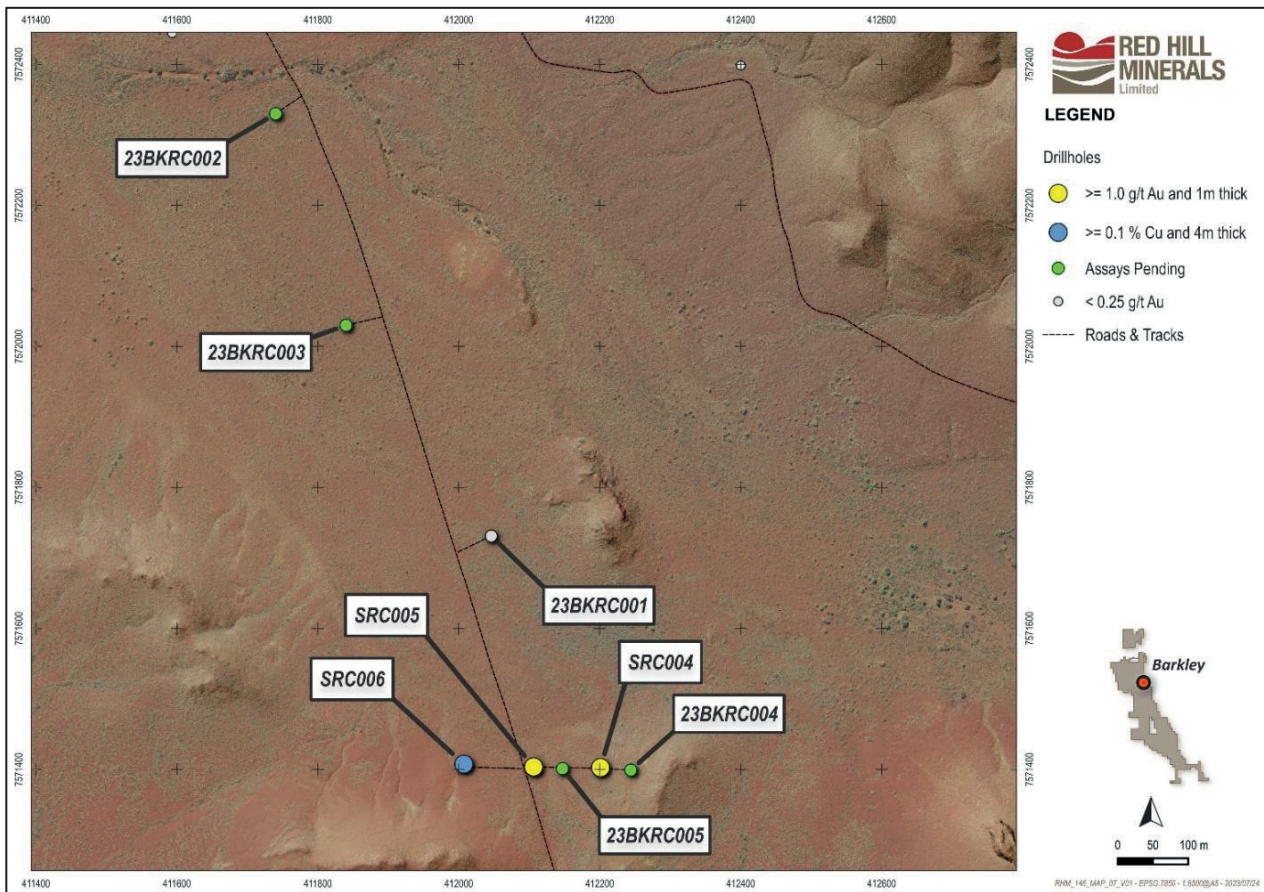
The Barkley Target is located approximately 2.1 kilometres ENE of the Dereks Bore Target. Historic copper and gold drilling anomalies include<sup>5</sup>:

- 2 metres at 1.39 grams per tonne gold from 31 metres in SRC004,
- 1 metre at 1.58 grams per tonne gold from 13 metres in SRC005, and
- 4 metres at 0.12% copper from 12 metres in SRC006.

During the period 2 RC holes for 400 metres (23BKRC004 and 23BKRC005) were drilled at Barkley to follow up and test down dip extension of these results and assay results are pending.

The Barkley Target also contains several first and second order VTEM anomalies which were tested with 3 RC holes for 665 metres (23BKRC001-003). 23BKRC001 intersected a broad zone of graphitic shale at the target depth with no significant gold or base metal results.

**Figure 8: Location Plan of RC Drilling at the Barkley Target**



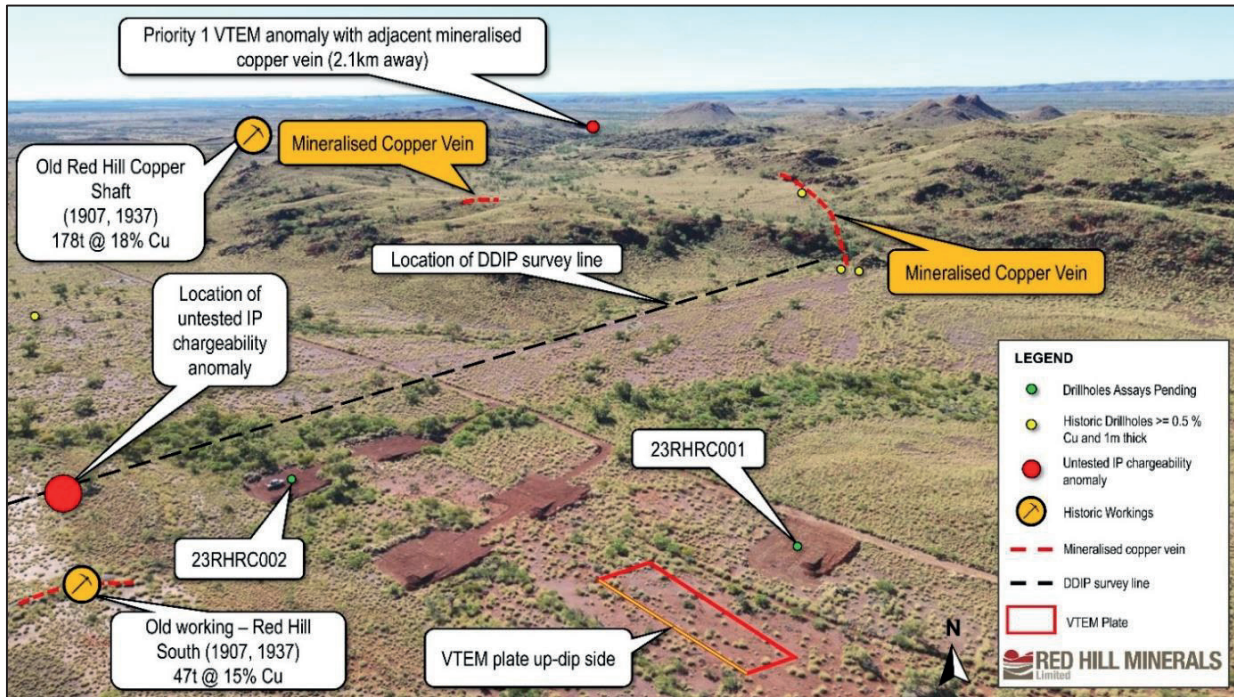


**RED HILL COPPER AND GOLD TARGET**

The Red Hill Copper and Gold Target is defined by a VTEM anomaly and a historic IP<sup>9</sup> target along a N-S trending fault. Historic records record 225 tonnes at grades between 15% and 18% copper were extracted in the target area between 1900 and 1940<sup>10</sup>.

2 RC holes for 449 metres (23RHRC001 and 23RHRC002) were completed to test the VTEM and historic IP anomaly within the Woolly Dolomite. Further work will determine whether downhole EM and follow up drilling of this VTEM target is warranted.

**Figure 9: Location Plan of the Red Hill Copper and Gold Target**



**Figure 10: Rock Chip Sampling at Red Hill Copper**





## THE PANNAWONICA PROJECT

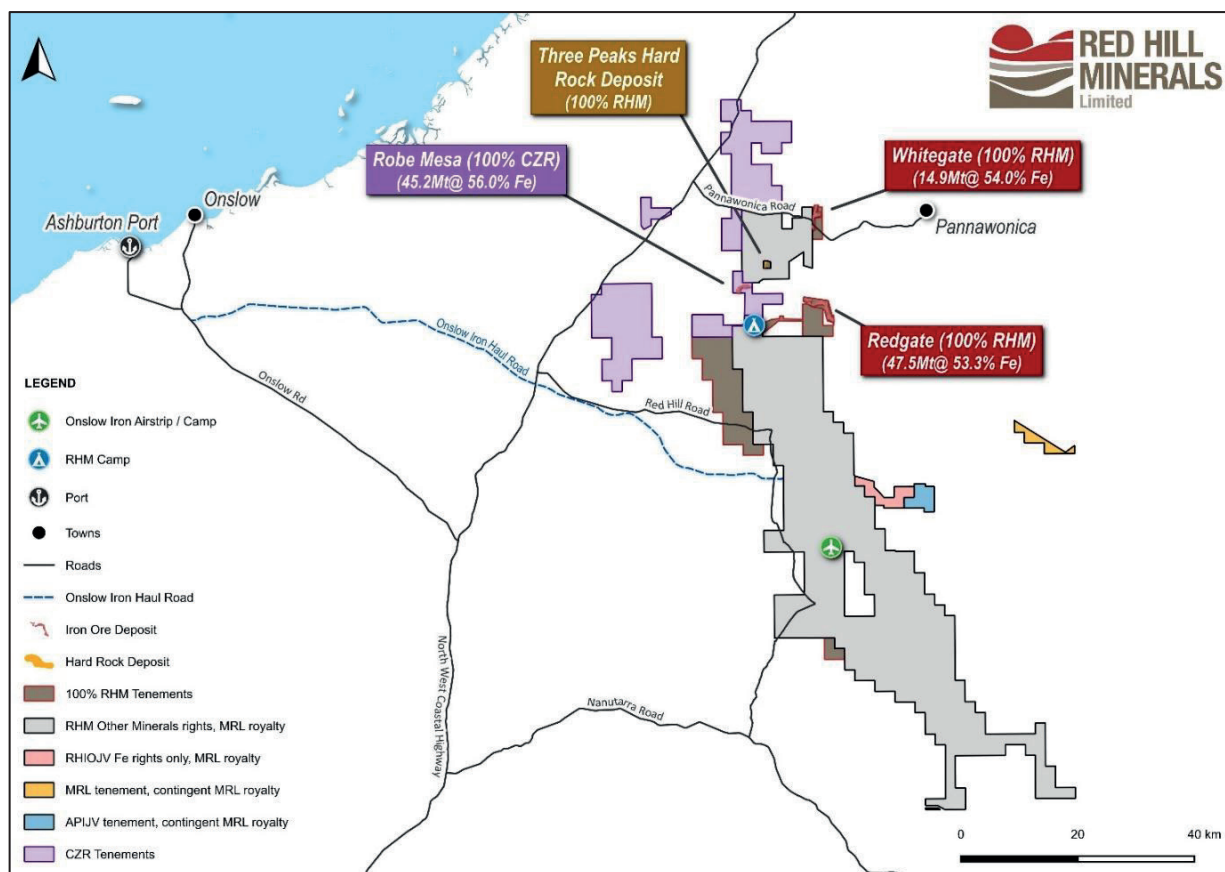
The Pannawonica Project is located north of the West Pilbara Gold and Base Metal Project area and comprises the Company’s 100% owned Redgate and Whitegate mining leases. The Company has been working in conjunction with CZR Resources Limited (CZR)<sup>11</sup> to complete baseline environmental surveys covering non-processing infrastructure and potential haul routes that can be utilised for this project.

The current Ore Reserve Statement for the Pannawonica Iron Project<sup>12</sup> is 4.68 million tonnes at 56% Iron at a 54.5% Iron cut-off grade within a total project Mineral Resource<sup>13</sup> of 62.5 million tonnes at 53.4% Iron.

During the period the joint CZR - Red Hill Minerals fauna, flora and vegetation assessment report was received for the Miscellaneous Licences for the proposed haul route corridor. Access negotiations continued for the Miscellaneous Licence application L08/305 for the proposed haul route corridor connecting the Redgate Channel Iron Deposit towards the North West Coastal Highway.

Joint cost-saving, approval activities and development opportunities continue to be reviewed.

**Figure 11: Location Plan of The Pannawonica Project, Three Peaks Hard Rock Deposit and CZR’s Robe Mesa Project<sup>14</sup> and the Onslow Iron Project**



## THREE PEAKS HARD ROCK DEPOSIT

The Company continues to consider commercial opportunities for a proposed quarry within its 100% owned Three Peaks Hard Rock Deposit mining lease. Previous petrographic reports and trial crushing of the porphyry rock material show that the unweathered rock is of high quality, high strength and durability and would be suitable for use as concrete aggregates, asphalt aggregates, high quality road bases, unbound pavement material and rail ballast.

## HEALTH AND SAFETY

The Company is committed to providing an accident and injury free workplace and to protecting the health and wellbeing of its personnel in a supportive work environment free from bullying and harassment.

Red Hill Minerals takes measures to safeguard the health, safety and wellbeing of its employees, contractors and visitors by:

- Providing essential training, supervision and resources to uphold a safe and healthy work environment.
- Ensuring clear communication and collaboration with employees, contractors, and other stakeholders.
- Thoroughly investigating and reporting all incidents, and implementing corrective and preventative measures to guard against and mitigate reoccurrence.
- Consistently enhancing Health and Safety systems via comprehensive risk identification, robust management systems and routine review processes that involve the field team and are supported by external health, safety and hygiene consultants when necessary.

These commitments are endorsed by the Company's Board, Management, and championed by all members of Red Hill Minerals.

The Company recorded a total of 7,060 fieldwork hours during the year across all project areas. Of this, employees contributed 2,940 work hours and contractors contributed 4,120 work hours. During the period there were no reportable incidents<sup>i</sup>.

## CORPORATE GOVERNANCE

The Board of our Company ensures that the Company upholds the highest standard of corporate governance. The Board believes that governance reflects the Company's commitment to maintaining transparency, accountability and ethical leadership.

Red Hill Minerals acts with integrity in all its business engagements and interactions with stakeholders, including shareholders, employees, JV partners, Traditional Owners, pastoralists, government, contractors and the community. These relationships enhance the Company's ability to access the intended tenures unimpeded, enabling on ground personnel to focus on exploration operations.

The Company supports the intent of the ASX Corporate Governance Council's Principles and Recommendations (4th Edition). Details of the corporate governance practices adopted by Red Hill Minerals can be found in our 'Corporate Governance Statement for the Financial Year ended 30 June 2023' lodged with the ASX and included on our website.

## COMMUNITY, SOCIAL RESPONSIBILITY AND ENVIRONMENT

Red Hill Minerals is committed to minimising the potential impact that its exploration activities may have on the environment and communities through a sustainable and collaborative process. When planning, making business decisions and when operating in the field, the effect on our people, their families, stakeholders and the environment is always taken into account.

We ensure this by:

- Continuously improving Health, Safety, Environmental and Community (HSEC) performance through identifying potential risks, implementing effective management systems and strategies, and consistently reviewing the processes in place.
- Respecting cultural heritage, customs and traditions by avoiding or mitigating impacts through early engagement, meaningful consultation and agreed processes for cultural heritage protection where appropriate.
- Maintaining currency and complying with changes to legislation and standards which impact business operations as well as operating within the framework of applicable local laws.
- Minimising our potential exploration environmental footprint.

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<sup>i</sup> A 'reportable incident' for mining operations is an unplanned event or situation that results in, or has the potential to result in, injury, ill health, damage or loss.





Soil sampling at the Jubilee Gold and Base Metal Target



## REFERENCES TO PREVIOUS ANNOUNCEMENTS

- <sup>1</sup> Refer Mineral Resources Limited ASX Release “June 2023 Quarterly Activities Report” Announcement dated 27 July 2023.
- <sup>2</sup> Refer Red Hill Minerals ASX Release “Sale of Red Hill Iron Ore Joint Venture Interest” Announcement dated 30 July 2021.
- <sup>3</sup> Refer Black Cat Syndicate Limited ASX Release “Robust Restart Plan for Paulsens” Announcement dated 10 July 2023.
- <sup>4</sup> Refer Kalamazoo Resources Limited ASX Release “Independent Mineral Resource Estimate Ashburton Gold Project” Announcement dated 7 February 2023.
- <sup>5</sup> Refer Red Hill Minerals ASX Release “Base and Precious Metals Exploration Drilling Results” Announcement Dated 20 October 2022.
- <sup>6</sup> Refer Red Hill Minerals ASX Release “RC Drilling Intersects Gold Mineralisation” Announcement dated 20 July 2023.
- <sup>7</sup> Refer Red Hill Minerals ASX Release “RC Drilling intersects mineralisation at the Kens Bore Gold Prospect” Announcement dated 31 March 2023.
- <sup>8</sup> Refer WAMEX A115918. CGM (WA) Pty Ltd (Chalice Gold) Co-Funded Drilling Report. West Pilbara EIS. 20 February 2018.
- <sup>9</sup> Refer Red Hill Minerals ASX Release “Activities Report for the Quarter Ended 31 December 2006” Announcement dated 31 January 2007.
- <sup>10</sup> Thorne, A. M. and Seymour, D.B., 1991. Bulletin 139 - Geology of the Ashburton Basin Western Australia. Geological Survey of Western Australia. Page 118.
- <sup>11</sup> Refer Red Hill Minerals ASX Release “CZR-RHI to Cooperate on Haul Road and Port Infrastructure” Announcement dated 1 August 2022.
- <sup>12</sup> Refer Red Hill Minerals ASX Release “Pannawonica Iron Ore Project – Ore Reserve Statement Update” Announcement dated 23 July 2021.
- <sup>13</sup> Refer Red Hill Minerals ASX Release “Pannawonica Iron Ore Project: Pre-Feasibility Study Completed With Maiden Ore Reserves” Announcement dated 14 April 2014.
- <sup>14</sup> Refer CZR Resources ASX Release “Robe Mesa Resource Continues to Grow” Announcement dated 12 December 2022.

## **Streamline Statement (Listing Rule 5.23.2) – The Pannawonica Project**

Red Hill Minerals Limited is not aware of any new information or data that materially affects the information included in the relevant market announcement and in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## **Competent Person Statement**

The information in this report that relates to exploration activities is based on information compiled by Mr Michael Wall, Chief Executive Officer, Red Hill Minerals Limited who is a Member of the Australian Institute of Mining and Metallurgy. Mr Wall is a full-time employee of Red Hill Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Wall consents to the report being issued in the form and context in which it appears.

## **Forward Looking Statements**

This document may contain certain forward-looking statements which have not been based solely on historical facts but rather on Red Hill Minerals expectations about future events and on a number of assumptions which are subject to significant risks, uncertainties and contingencies many of which are outside the control of Red Hill Minerals and its directors, officers and advisers. Forward-looking statements include, but are not necessarily limited to, statements concerning Red Hill Minerals' planned exploration programme, strategies and objectives of management, anticipated dates and expected costs or outputs. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Due care and attention has been taken in the preparation of this document and although Red Hill Minerals believes that its expectations reflected in any forward looking statements made in this document are reasonable, no assurance can be given that actual results will be consistent with these forward-looking statements. This document should not be relied upon as providing any recommendation or forecast by Red Hill Minerals or its directors, officers or advisers. To the fullest extent permitted by law, no liability, however arising, will be accepted by Red Hill Minerals or its directors, officers or advisers, as a result of any reliance upon any forward looking statement contained in this document.

**Mining tenements and beneficial interests held at year end and their location:**

Tenement	Location	Registered Holding	Beneficial Interest
E08/1227-I	West Pilbara, WA	0%	Note 1
E08/1283-I	West Pilbara, WA	0%	Note 1
E08/1289-I	West Pilbara, WA	0%	Note 1
E08/1293-I	West Pilbara, WA	0%	Note 1
E08/1294-I	West Pilbara, WA	0%	Note 1
E08/1295-I	West Pilbara, WA	0%	Note 1
E08/1430-I	West Pilbara, WA	0%	Note 1
E08/1516-I	West Pilbara, WA	0%	Note 1
E08/1537-I	West Pilbara, WA	0%	Note 1
E47/1141-I	West Pilbara, WA	0%	Note 1
E47/1693-I	West Pilbara, WA	0%	Note 1
M47/1472-I	West Pilbara, WA	0%	Note 1
M08/483-I	West Pilbara, WA	0%	Note 1
M08/484-I	West Pilbara, WA	0%	Note 1
M08/485-I	West Pilbara, WA	0%	Note 1
M08/480-I	West Pilbara, WA	0%	Note 2
M08/512-I	West Pilbara, WA	0%	Note 2
M47/1504-I	West Pilbara, WA	0%	Note 2a
M47/1464-I	West Pilbara, WA	0%	Note 2
M08/499-I	West Pilbara, WA	100%	Note 3
M08/500-I	West Pilbara, WA	100%	Note 3
M08/501	West Pilbara, WA	100%	Note 3
M08/505-I	West Pilbara, WA	100%	Note 3
E08/2729	West Pilbara, WA	100%	Note 3
E08/2730	West Pilbara, WA	100%	Note 3
ELA08/3540	West Pilbara, WA	100%	Note 3
ELA08/3558	West Pilbara, WA	100%	Note 3
L08/0305	West Pilbara, WA	100%	Note 3

**Notes:**

Note 1: Red Hill Minerals Limited has a 100% interest in all minerals other than iron ore pursuant to the RHIOJV Agreement and an Iron Ore Production Royalty Agreement with Mineral Resources Limited.

Note 2: Iron Ore Production Royalty Agreement with Mineral Resources Limited.

Note 2a: Contingent interest under the Iron Ore Production Royalty Agreement with Mineral Resources Limited.

Note 3: 100%

**Key:**

E: Exploration Licence

M: Mining Lease

ELA: Exploration Licence Application

L: Miscellaneous Licence Application



**Figure 12: RC Drilling at the Barkley Gold Target (23BKRC001, Looking North West)**



**Figure 13: RRK Heritage Survey – Dereks Bore North**



Red Hill Minerals Limited (formerly Red Hill Iron Limited) (Red Hill Minerals or the Company) is an Australian company listed on the Australian Securities Exchange (ASX). The registered office of the Company is Level 2, 9 Havelock Street, West Perth, Western Australia.

The Directors of the Company present their report on the Company for the year ended 30 June 2023.

## **DIRECTORS**

The following persons were Directors of the Company during the financial year and up to the date of this report:

Joshua Pitt	Executive Chairman
Garry Strong	Non-Executive Director
Mark Okeby	Non-Executive Director
Nanette Allen	Non-Executive Director

## **PRINCIPAL ACTIVITIES**

The principal activities of the Company during the year were exploration for gold and base metals.

## **RESULTS**

The loss for the Company for the financial year after providing for income tax amounted to \$2,260,832 (2022: profit of \$144,492,565).

## **REVIEW OF OPERATIONS**

Exploration activities for the financial period have been primarily focused on the Company's West Pilbara Gold and Base Metal Project in Western Australia. Red Hill Minerals has been systematically exploring the project using the latest exploration techniques.

Additionally, the Company continued to seek opportunities to advance the Pannawonica Iron Ore Project and the Three Peaks Hard Rock Project.

The second of two \$200 million tranches as the initial component of the sales receipts for the 40% interest in the Red Hill Iron Ore Joint Venture (RHIOJV) sold by the Company to a subsidiary of Mineral Resources Limited (MinRes), is due to be paid when the first commercial shipment of iron ore departs port. The current anticipated date for first shipment is June 2024. The remaining components of the sale receipts will come in the form of royalty streams.

These royalty streams will be sourced from:

- production from the RHIOJV tenements,
- during the first 10 years from the FOOS Date, production from the Australian Premium Iron JV (APIJV) owned Upper Red Hill Creek tenement, and
- if developed in association with the development of one or more of the RHIOJV tenements, production from the MinRes owned Bungaroo South tenement.

A comprehensive review of the operations during the financial year is contained in pages 5 to 18 of the Annual Report.

## **DIVIDENDS**

On 7 December 2022, the Company paid a dividend of \$0.20 per ordinary share, fully franked at 25%. A second dividend of \$0.10 per ordinary share, fully franked at 30%, was paid on 18 July 2023.

The Company aims to maintain a dividend distribution policy from revenue that it deems appropriate, taking into account the expenditure requirements of its exploration activities and other value accretive opportunities.



## **SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

Other than as set out below and elsewhere in the report, there were no significant changes in the state of affairs.

## **VOLUNTARY CHANGE IN ACCOUNTING POLICY**

During the year, the Company adopted a voluntary change in accounting policy. Under this change in policy, mineral exploration and evaluation expenditure is either written off as incurred or accumulated with respect to each identifiable area of interest and capitalised. This change only relates to the West Pilbara Gold and Base Metal Project.

This change in accounting policy has been adopted retrospectively. As a result, some figures reported for prior years in this financial report differ from those in the previous year's financial report.

## **SUBSEQUENT EVENTS**

On 3 July 2023 the Company announced a special dividend of \$0.10 per ordinary share, fully franked at 30%. The dividend was paid on 18 July 2023.

On 26 July 2023 Mineral Resources Limited advised that it had received all major approvals for the Onslow Iron Project, and that the first-ore-on-ship delivery is expected in June 2024.

To the best of the Directors' knowledge and belief, there were no other material items, transactions or events subsequent to the end of the financial year which have not been dealt with in these financial statements and which would cause reliance on the information shown in this report to be misleading.

## **LIKELY DEVELOPMENTS**

There are no likely developments of which the Directors are aware which could be expected to significantly affect the results of the Company's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Review of Operations or the Subsequent Events sections of the Directors' Report.

## **ENVIRONMENTAL REGULATIONS**

The Company holds exploration licences and mining leases in Australia. These licences include conditions and regulations related to the rehabilitation of explored areas, in line with the guidelines and standards of the respective jurisdictions. To the best of the Directors' knowledge, all exploration activities have been conducted in compliance with the pertinent environmental regulations.

## INFORMATION RELATING TO THE DIRECTORS AND SENIOR MANAGEMENT

### *Executive Chairman*

#### **Joshua Pitt BSc, MAusIMM, MAIG**

Mr Pitt is a geologist with extensive exploration experience who has, for more than forty years, been a director of exploration and mining companies in Australia. Mr Pitt is involved in private mineral exploration and also in substantial resource investments. Mr Pitt was appointed a Director of Red Hill Minerals on its formation in June 2005 and assumed the position of Executive Chairman in December 2019. He is also the Executive Chairman of Hampton Hill Mining NL (appointed a director in January 1997 and Chairman in April 2012), and the Non-Executive Chairman of Traka Resources Limited (appointed a Director in January 2003 and Chairman in December 2019). He holds the position of Non-Executive Director at Red Metal Limited (appointed July 2003). Mr Pitt has held no other directorships of ASX listed companies during the last three financial years.

### *Non-Executive Directors*

#### **Garry Strong**

Mr Strong is a prospector with a lifetime of experience in gold and base metal reconnaissance exploration in Australia and is a founding director of Red Hill Minerals. Mr Strong has held no other directorships in ASX listed companies during the last three financial years.

#### **Mark Okeby, LLM**

Mr Okeby has over 30 years' experience as a director of ASX listed mining and exploration companies. He holds a Master of Laws (LLM) and was appointed a Non-Executive Director of Red Hill Minerals on 12 August 2015. Mr Okeby was a Non-Executive Director of Regis Resources Ltd from 29 July 2009 to 20 February 2019 when he retired from that role. Mr Okeby was appointed a Non-Executive Director of Capricorn Metals Ltd on 8 July 2019 and appointed Chairman of Peel Mining Limited on 23 February 2022. He has held no other directorships of ASX listed companies during the last three financial years.

#### **Nanette Allen, BSc (Hons), BPsychSc (Hons), MAusIMM, MAICD**

Ms Allen, having worked in the resource sector for over 20 years as a mining executive and geologist, has a wealth of technical and corporate experience. This experience ranges from business development and governance to exploration and mine development, finance and asset divestment. Ms Allen has held no other directorships of ASX listed companies during the last three financial years.

### *Chief Executive Officer (appointed 28 July 2022)*

#### **Michael Wall, BSc (Hons Geology), MBA, MAusIMM, MAICD**

Mr Wall has over 20 years of experience working across a wide range of geological settings in Australia, New Zealand and Vietnam. He has gained broad technical and managerial experience across private and listed exploration companies, joint ventures, consulting and research including more recently as Exploration Manager for API Management Pty Ltd. He has established long standing relationships with the major stakeholders in the Company and its project areas and has extensive early-stage exploration operational and business development experience.

## INFORMATION RELATING TO THE COMPANY SECRETARY

#### **Ira Gibbs, BAcc (Hons), CA (appointed 18 May 2023)**

Ms Gibbs has worked with the Red Hill Minerals team since 2015 and is a Chartered Accountant with considerable company secretarial and corporate governance experience and, over the past 10 years, has worked within the WA mineral exploration sector.

#### **Peter Ruttledge BSc, CA, FFin (resigned 3 July 2023)**

Mr Ruttledge is a Chartered Accountant and a Fellow of The Financial Services Institute of Australia and has over 30 years' experience as company secretary of a number of ASX listed mining and exploration companies.

## DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The number of shares and options in the Company held directly and indirectly by the Directors as at the date of this report is set out below:

Director	Ordinary shares	Options over ordinary shares
J N Pitt	13,201,663	-
G R Strong	2,073,139	-
D M Okeby	2,357,142	-
N Allen	500,000	-

## MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the financial year and the number of meetings attended by each Director:

Director	Meetings of Directors whilst a Director	Meetings attended
J N Pitt	15	15
G R Strong	15	15
D M Okeby	15	15
N Allen	15	15

The Company does not have any committees.

## AUDITED REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by section 308(3c) of the Corporations Act 2001.

### a. Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration policy for Directors and other key management personnel is to ensure that:

- remuneration packages properly reflect the duties and responsibilities of the persons concerned, and
- remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The remuneration framework has regard to shareholders' interests by:

- focusing on sustained growth in share price, as well as focusing the executives on key non-financial drivers of value, and
- attracting and retaining high calibre executives.

The remuneration framework has regard to executives' interests by:

- rewarding capability and experience,
- providing a clear structure for earning rewards, and
- providing recognition for contribution.

Remuneration is not dependent on the satisfaction of any conditions relating to the Company's market performance.

Remuneration is reviewed by the Board on an annual basis having regard to performance and market competitiveness. The remuneration of executive personnel, other than the Chairman, is determined by the Non-Executive Directors and the Chairman and comprises a base salary or fee based on the services provided and market rates of remuneration and, from time to time, the grant of options to acquire shares in the Company. The remuneration of the Executive Chairman is determined by the remainder of the Board. All remuneration paid to key management personnel is valued at cost to the Company and expensed.

### Non-Executive Directors

Fees paid to the Non-Executive Directors for services as Directors are determined by the Board (within the overall limit set by shareholders) based on their level of responsibility and with reference to the general level of fees paid by companies of similar size and operations.

The Company operates with a small staff and a Non-Executive Director can be called upon to undertake work for the Company in addition to his/her services as a Director. Where this occurs, the Director may be remunerated for those additional services at market rates. Non-Executive Directors may be reimbursed all travelling and other expenses properly incurred by them in the business of the Company.

### Executives

The remuneration of the Executive Chairman, Mr J Pitt, is the basic fee, plus superannuation, paid to a Non-Executive Director. The remainder of the Board reviews the terms of the Executive Chairman's remuneration on an annual basis. The remuneration of the Chief Executive Officer, Mr M Wall, is a market related base salary, plus superannuation, and options to acquire ordinary shares in the Company that may be granted from time to time.



## AUDITED REMUNERATION REPORT (continued)

### Company performance and its consequences on shareholder wealth

The table below shows the gross revenue, profit/(loss), and earnings/(loss) per share for the last five years:

		2023	2022	2021	2020	2019
Revenue and other income	\$	1,266,167	200,046,217	19,320	33,556	7,982
Net (loss)/profit	\$	(2,260,832)	144,492,565	(1,654,745)	(466,409)	(574,936)
(Loss)/earnings per share	cents	(3.54)	230.45	(2.76)	(0.81)	(1.05)
Share price at year end	\$	4.45	3.20	0.92	0.15	0.20

During the year the Company paid a special dividend of \$0.20 per ordinary share, fully franked at 30%.

### b. Details of remuneration

As at the date of this report, the key management personnel of the Company are the Directors and the Chief Executive Officer (appointed 28 July 2022). The remuneration of key management personnel for the financial year is summarised below:

	Year	Short-term benefits	Post-employment benefits	Share based payments	Total	Performance related
		Salary & fees	Superannuation	Options		%
		\$	\$	\$	\$	%
<b>Executive Directors</b>						
J N Pitt (Chairman)	2023	50,000	5,250	-	55,250	-
	2022	37,500	3,750	-	41,250	-
<b>Non-Executive Directors</b>						
G R Strong	2023	50,000	5,250	-	55,250	-
	2022	52,456	16,050	-	68,506	-
D M Okeby	2023	50,000	5,250	-	55,250	-
	2022	188,706	18,871	-	207,577	-
N Allen	2023	50,000	5,250	-	55,250	-
	2022	37,500	3,750	-	41,250	-
<b>Chief Executive Officer</b>						
M Wall <sup>1</sup>	2023	298,108	31,301	946,977	1,276,386	74.2%
	2022	-	-	-	-	-
<b>Total</b>	<b>2023</b>	<b>498,108</b>	<b>52,301</b>	<b>946,977</b>	<b>1,497,386</b>	<b>63.2%</b>
	2022	316,162	42,421	-	358,583	-

<sup>1</sup> Michael Wall was appointed Chief Executive Officer on 28 July 2022.

The Company occasionally engages Mr Okeby to carry out additional services. There were no additional services during the financial year ended 30 June 2023.

Mr Strong is occasionally required to carry out duties in addition to his Director duties, for which he is remunerated accordingly. Mr Strong did not provide additional services during the year ended 30 June 2023.

## AUDITED REMUNERATION REPORT (continued)

### c. Service agreements

#### Directors

Shareholders of the Company have approved the maximum fees payable in aggregate to the Directors of the Company for their services as Directors be set at \$200,000 per annum. Each Director of the Company is currently entitled to receive an annual fee of \$50,000 (2022: \$50,000) plus statutory superannuation for their services as Directors.

#### Non-Executive Directors

Service agreements are in place for Mr Okeby (appointed August 2016) and Ms Allen (appointed 1 February 2021). There is no separate service agreement with Mr Strong, who was appointed on the foundation of the Company.

#### Executive Chairman

There is no separate service agreement for the Chairman in respect of his executive duties as Executive Chairman. No fixed term or notice period applies and there is no provision for termination benefits.

#### Chief Executive Officer

On 28 July 2022, Mr Michael Wall was engaged as Chief Executive Officer of the Company. His service agreement provides for an annual salary of \$300,000 plus statutory superannuation with a three month notice of termination. Mr Wall was granted 1,000,000 unlisted options, exercisable at \$3.50 per share, of which 333,334 vested on 27 July 2023, 333,333 vest on 27 July 2024 and 333,333 vest on 27 July 2025.

### d. Share-based compensation

Share based payments are generally provided in the form of options vesting immediately or over a period. Each option is convertible into one ordinary share and carries no dividend or voting right. The issue of options is not linked to past company performance since their principal purpose is to promote additional incentive to the key management personnel.

Directors receiving share-based payments are not involved in any Board discussions regarding their remuneration.

The basic terms and conditions of each grant of options affecting key management personnel remuneration in the previous, current or future reporting periods are as follows:

Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Number of options
27 July 2022	27 July 2023	26 July 2025	\$3.50	\$1.54	333,334
27 July 2022	27 July 2024	26 July 2026	\$3.50	\$1.76	333,333
27 July 2022	27 July 2025	27 July 2027	\$3.50	\$1.95	333,333

The above options were granted to the Chief Executive Officer Mr Michael Wall during the year. No options were exercised during the financial year.

## AUDITED REMUNERATION REPORT (continued)

Details of the options in the Company provided as remuneration to key management personnel of the Company during the year are set out below. Further information on options, including the basis of valuation, is set out in Note 23.

	Balance at beginning of year	Received as remuneration	Options exercised	Balance at end of year
<b>Director</b>				
J N Pitt	-	-	-	-
G R Strong	-	-	-	-
D M Okeby	-	-	-	-
N Allen	-	-	-	-
<b>Management</b>				
M Wall	-	1,000,000	-	-
<b>Total</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>

### e. Shares held by key management personnel

The number of ordinary fully paid shares in the Company held directly and indirectly by the Directors and any movements in these holdings over the year, is set out below:

	Balance 1 July 2022	Acquired on exercise of options	Acquired	Balance 30 June 2023
<b>Director</b>				
J N Pitt	13,198,225	-	3,438	13,201,663
G R Strong	2,073,139	-	-	2,073,139
D M Okeby	2,357,142	-	-	2,357,142
N Allen	500,000	-	-	500,000
<b>Management</b>				
M Wall <sup>1</sup>	907	-	-	907
<b>Total</b>	<b>18,129,413</b>	<b>-</b>	<b>3,438</b>	<b>18,132,851</b>

<sup>1</sup> Shares held by Mr Wall at the date of his appointment as Chief Executive Officer.

There were no shares granted as compensation to key management personnel during the reporting period.

None of the shares are held nominally.

### f. Transactions with key management personnel

#### **Payments to related parties**

During the prior year the Company paid Hampton Hill Mining NL, an entity associated with Mr Pitt, with respect to rental of office space and provision of administration services. Payments for the year ended 30 June 2023 were nil (2022: \$77,807).

During the prior year the Company paid Mr Okeby, a director of the Company, for work undertaken in addition to his director duties. Payments related to work in addition to his director duties during the year ended 30 June 2023 were nil (2022: \$166,326).

## AUDITED REMUNERATION REPORT (continued)

### *Payments from related parties*

During the year, the Company received \$10,182 from Hampton Hill Mining NL for the provision of office space and administration services (2022: nil). Mr Pitt is a director and shareholder of Hampton Hill Mining NL. This agreement is at arms-length and on normal commercial terms and conditions.

During the year, the Company received \$10,800 from Murchison Prospecting Partnership, for the provision of office space and administration services (2022: nil). Mr Pitt and Mr Strong are associated with the Murchison Prospecting Partnership.

During the year, the Company received \$1,240 (2022: nil) from Traka Resources Limited for the provision of staff amenities. Mr Pitt is a director and shareholder of Traka Resources Limited.

### *Loans to key management personnel and their related parties*

The Company has not made any loans to key management personnel and their related parties during the year.

### **g. Additional information**

The Company received a majority of votes in favour (99.67%) of its remuneration report for the 2022 financial year at its Annual General Meeting (AGM). The Company did not receive any specific comments on its remuneration practices at the AGM or throughout that year.

The Company has not engaged remuneration consultants to make a remuneration recommendation in respect of any of the key management personnel.

The audited remuneration report ends here.

## SHARES UNDER OPTIONS

The number of unlisted options on issue at the date of this report are set out below:

Grant date	Expiry date	Exercise price		
		per share	Number	Percent vested
27 Jul 2022	26 Jul 2025	\$3.50	333,334	100%
27 Jul 2022	26 Jul 2026	\$3.50	333,333	0%
27 Jul 2022	26 Jul 2027	\$3.50	333,333	0%
19 Sep 2022	21 Sep 2025	\$4.15	133,334	0%
19 Sep 2022	21 Sep 2026	\$4.15	133,333	0%
19 Sep 2022	21 Sep 2027	\$4.15	133,333	0%

## INSURANCE OF OFFICERS

During the financial year the Company paid an amount to insure all current directors and officers of the Company against certain liabilities which may be incurred by them whilst acting in their capacity as directors and officers of the Company other than conduct including a wilful breach of duty to the Company. In accordance with commercial practice the policy prohibits disclosure of the terms of the policy including the limit of liability and the amount of premium paid.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to any court pursuant to Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.



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## **AUDIT COMMITTEE**

The Company is not of a size nor are its financial affairs of such complexity to justify a separate audit committee of the Board of Directors. All matters that might properly be dealt with by such a committee are the subject of scrutiny at full board meetings.


## **NON-AUDIT SERVICES**

HLB Mann Judd (WA Partnership) (HLB), the Company's auditor, did not perform any non-audit services for the Company for the year ended 30 June 2023.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required by Section 307C of the Corporations Act 2001 is included in this Annual Report. HLB holds office in accordance with section 327C(2) of the Corporations Act 2001.

Signed in Perth in accordance with a resolution of Directors on 21 September 2023.




Mr J N Pitt  
Chairman

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Red Hill Minerals Limited (formerly Red Hill Iron Limited) for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

**Perth, Western Australia**  
**21 September 2023**



**D B Healy**  
**Partner**

**[hlb.com.au](http://hlb.com.au)**

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

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

**STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	Restated* 2022 \$
Gain on disposal of joint venture interest	2	-	199,897,890
Interest income	3	1,236,238	148,327
Other income	3	29,929	-
Exploration and evaluation expenditure		(520,135)	(644,065)
Administration expenses	4	(1,781,428)	(2,880,222)
Share based payments	23	(1,295,866)	-
<b>(Loss) / profit before income tax</b>		<b>(2,331,262)</b>	<b>196,521,930</b>
Income tax benefit / (expense)	5	70,430	(52,029,365)
<b>(Loss) / profit for the year</b>		<b>(2,260,832)</b>	<b>144,492,565</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive (loss) / income for the year attributable to the ordinary equity holders of the Company</b>		<b>(2,260,832)</b>	<b>144,492,565</b>
<b>(Loss) / Earnings per share attributable to the ordinary equity holders of the Company</b>		<b>cents</b>	<b>cents</b>
<b>Basic (loss) / earnings per share</b>	<b>6</b>	<b>(3.54)</b>	<b>230.45</b>
<b>Diluted (loss) / earnings per share</b>	<b>6</b>	<b>(3.54)</b>	<b>230.45</b>

\*30 June 2022 Statement of Profit or Loss and Other Comprehensive Income has been restated pursuant to the Company's voluntary change in accounting policy for exploration and evaluation expenditure (See Note 26).

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



	Note	2023 \$	Restated* 2022 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	39,272,389	69,046,408
Other receivables and prepayments	8	154,822	133,366
Total Current Assets		39,427,211	69,179,774
<b>Non-Current Assets</b>			
Exploration and evaluation assets	9	13,634,405	10,809,503
Plant and equipment	10	502,056	302,453
Right-of-use asset	11	274,776	173,486
Other assets		90,775	61,419
Total Non-Current Assets		14,502,012	11,346,861
<b>Total Assets</b>		<b>53,929,223</b>	<b>80,526,635</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	363,468	306,522
Income tax payable	5	-	13,025,039
Lease liability	11	163,832	64,604
Total Current Liabilities		527,300	13,396,165
<b>Non-Current Liabilities</b>			
Lease liability	11	113,716	111,667
Total Non-Current Liabilities		113,716	111,667
<b>Total Liabilities</b>		<b>641,016</b>	<b>13,507,832</b>
<b>Net Assets</b>		<b>53,288,207</b>	<b>67,018,803</b>
<b>Equity</b>			
Issued capital	13	30,188,863	30,188,863
Reserves	14	2,618,168	1,322,302
Retained earnings		20,481,176	35,507,638
<b>Total Equity</b>		<b>53,288,207</b>	<b>67,018,803</b>

\*30 June 2022 Statement of Financial Position has been restated pursuant to the Company's voluntary change in accounting policy for exploration and evaluation expenditure (See Note 26).

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

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Issued capital \$	Share based payments reserve \$	Future value option Reserve \$	Retained earnings / (Accumulated losses) \$	Total equity \$
<b>2023</b>						
<b>Balance at 1 July 2022 (Restated)*</b>		<b>30,188,863</b>	<b>243,532</b>	<b>1,078,770</b>	<b>35,507,638</b>	<b>67,018,803</b>
Loss for the year		-	-	-	(2,260,832)	(2,260,832)
<b>Total comprehensive loss</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,260,832)</b>	<b>(2,260,832)</b>
Transactions with equity holders in their capacity as equity holders:						
Share based payments		-	1,295,866	-	-	1,295,866
Dividends paid	15	-	-	-	(12,765,630)	(12,765,630)
<b>Balance at 30 June 2023</b>		<b>30,188,863</b>	<b>1,539,398</b>	<b>1,078,770</b>	<b>20,481,176</b>	<b>53,288,207</b>
<b>2022 (Restated*)</b>						
<b>Balance at 1 July 2021</b>		<b>28,081,923</b>	<b>1,036,532</b>	<b>285,770</b>	<b>(19,625,518)</b>	<b>9,778,707</b>
Profit for the year		-	-	-	144,492,565	144,492,565
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>144,492,565</b>	<b>144,492,565</b>
Transactions with equity holders in their capacity as equity holders:						
Issue of ordinary fully paid shares, net of issue costs		2,106,940	-	-	-	2,106,940
Transfer of expense on exercised options		-	(793,000)	793,000	-	-
Dividends paid	15	-	-	-	(89,359,409)	(89,359,409)
<b>Balance at 30 June 2022</b>		<b>30,188,863</b>	<b>243,532</b>	<b>1,078,770</b>	<b>35,507,638</b>	<b>67,018,803</b>

\*30 June 2022 Statement of Changes in Equity has been restated pursuant to the Company's voluntary change in accounting policy for exploration and evaluation expenditure (See Note 26).

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

	Note	2023 \$	Restated* 2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,515,264)	(3,092,085)
Payments for exploration expenditure		(485,055)	(575,419)
Interest received		1,220,713	129,515
Interest paid		(14,085)	(4,344)
Income tax paid		(12,954,610)	(39,000,000)
Other income		29,929	-
Net cash outflows from operating activities	16	(13,718,372)	(42,542,333)
<b>Cash flows from investing activities</b>			
Proceeds from disposal of joint venture interest	2	-	200,000,000
Payments for exploration expenditure		(2,824,902)	(903,588)
Payments to acquire property, plant and equipment	10	(305,275)	(312,112)
Net cash (outflows)/inflows from investing activities		(3,130,177)	198,784,300
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	16	-	220,000
Repayment of borrowings	16	-	(220,000)
Proceeds from issue of shares		-	2,112,500
Payment for share issue costs		-	(9,886)
Lease payments	11	(159,840)	(30,793)
Dividends paid	15	(12,765,630)	(89,359,409)
Net cash outflows from financing activities		(12,295,470)	(87,287,588)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(29,774,019)</b>	<b>68,954,379</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>64,046,408</b>	<b>92,029</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>39,272,389</b>	<b>69,046,408</b>

\*30 June 2022 Statement of Cash Flows has been restated pursuant to the Company's voluntary change in accounting policy for exploration and evaluation expenditure (See Note 26).

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



**NOTE 1. SEGMENT INFORMATION**

Management has determined that the Company has one reportable operating and geographical segment, being mineral exploration within Western Australia. This operating segment is reported in a manner consistent with the internal reporting provided to the Chief Executive Officer and the Board. The Chief Executive Officer is responsible for allocating resources and assessing performance of the mineral exploration segment.

Management and the Board of Directors monitors the Company based on actual versus budgeted exploration expenditure. This reporting framework is the most relevant to assist the Board with making decisions regarding its ongoing exploration activities.

	<b>2023</b>	<b>Restated</b>
	<b>\$</b>	<b>2022</b>
		<b>\$</b>
Reportable segment assets	13,634,405	10,809,503
Reconciliation of reportable segment assets:		
Reportable segment assets	13,634,405	10,809,503
Unallocated corporate assets	40,294,818	69,717,132
Total assets	53,929,223	80,526,635
Reportable segment liabilities	145,083	193,409
Reconciliation of reportable segment liabilities:		
Reportable segment liabilities	145,083	193,409
Unallocated corporate liabilities	495,933	13,314,423
Total liabilities	641,016	13,507,832
Reportable segment (loss)/profit	(520,135)	199,253,825
Reconciliation of reportable segment loss:		
Reportable segment (loss)/profit	(520,135)	199,253,825
Other revenue	1,266,167	148,327
Unallocated corporate expenses	(3,077,294)	(2,880,222)
(Loss)/profit before tax	(2,331,262)	196,521,930

**NOTE 2. GAIN ON DISPOSAL OF JOINT VENTURE INTEREST**

During the year ended 30 June 2022, the Company sold its interest in the RHIOJV to a wholly owned subsidiary of Mineral Resources Limited for an initial cash payment of \$200 million, a further cash payment of \$200 million payable when the first commercial shipment of iron ore extracted from the RHIOJV mining tenements departs port (FOOS date) and a royalty of 0.75% of FOB revenue payable on all iron ore extracted and sold from the RHIOJV mining tenements, Mineral Resources Limited's Bungaroo South mining tenement if that is developed in association with RHIOJV production and, during the first 10 years from the FOOS date, the APIJV-owned Upper Red Hill Creek mining tenement.

The initial cash consideration received during the year ended 30 June 2022, less the carrying value of the asset of \$102,110 (refer Note 9) has been accounted for within profit and loss. The further cash receipt will be accounted for with effect from the FOOS date and the royalty receipts will be accounted for at the time the relevant iron ore is extracted and sold.

	<b>2023</b>	<b>2022</b>
	\$	\$
Proceeds from disposal of joint venture interest	-	200,000,000
Acquisition cost of exploration asset	-	(102,110)
	-	<u>199,897,890</u>

**NOTE 3. REVENUE**

	<b>2023</b>	<b>2022</b>
	\$	\$
Interest income	1,236,238	148,327
Other income	29,929	-
	<u>1,266,167</u>	<u>148,327</u>

Revenue is measured at the fair value of the consideration received or receivable. Interest income is brought to account as income over the term of each financial instrument on an effective interest basis.

Other income relates to the provision of office space, administrative services and staff amenities.

**NOTE 4. ADMINISTRATION EXPENSES**

	Note	2023 \$	2022 \$
(Loss)/profit before income tax includes the following specific administration expenses:			
Personnel expenses			
Salaries, Directors' fees and other personnel expenses		1,490,118	510,838
Superannuation		127,156	45,774
		1,617,274	556,612
Less: Recharged to exploration expenditure		(865,926)	(125,721)
		751,348	430,891
Depreciation charge - Plant and equipment	10	105,016	9,659
Amortisation charge – Right-of-use-asset	11	159,892	33,578
Finance charge – Office lease	11	14,040	3,886
Finance charge – Borrowings		45	458
Consultants – Corporate		3,050	1,614,394
Legal fees		165,587	299,461
Accounting and taxation fees		165,083	90,301
Administration services		7,041	59,114
Audit fees		50,609	65,214
Rental of office		125,353	103,613
Listing fees		56,627	44,379
Company secretarial		100,055	41,345
Other		77,682	83,829
		1,781,428	2,880,222

**NOTE 5. INCOME TAX**

**a. Income tax benefit / (expense)**

	2023 \$	2022 \$
The components of income tax benefit/(expense) comprise:		
Current tax	70,430	(58,977,554)
Deferred tax	-	6,948,189
	70,430	(52,029,365)



**NOTE 5. INCOME TAX (continued)**

**b. Reconciliation of income tax benefit/(expense) to prima facie tax payable on accounting (loss)/profit**

	2023	Restated 2022
	\$	\$
Operating (loss) / profit before income tax	(2,331,262)	196,521,930
Prima facie tax (payable)/benefit at Australian rate of 30% (2022: 25%)	699,379	(49,130,483)
Adjusted for tax effect of the following amounts:		
Non-deductible items	(388,759)	(282)
Utilisation of previously unrecognised tax losses	-	6,952,515
Adjustment for change in tax rate	1,457,138	498,999
Over-provision in prior period	70,430	-
Tax benefit not brought to account	(1,767,758)	(10,350,114)
Income tax benefit/(expense)	70,430	(52,029,365)

The current income tax benefit/(expense) is based on the loss or profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

The Company does not satisfy all of the conditions to qualify as a base rate entity for the current period. Therefore, the full corporate tax rate of 30% applies to the Company.

**c. Deferred tax assets and liabilities not brought to account**

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at period end, at the Australian corporate tax rate of 30% (2022: 25%) are made up as follows:

	2023	Restated 2022
	\$	\$
On income tax account:		
Carried forward tax losses	1,207,234	-
Deductible temporary differences	12,173,666	10,106,571
Taxable temporary differences	(4,327,451)	(2,750,450)
Unrecognised net deferred tax assets	9,053,449	7,356,121

**d. Deferred tax recognised directly in equity**

	2023	2022
	\$	\$
Deferred tax credit relating to share issue costs	-	4,326

**NOTE 5. INCOME TAX (continued)**

**e. Income tax payable**

	<b>2023</b>	<b>2022</b>
	\$	\$

Current tax liability comprise:

Income tax payable	-	13,025,039
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The income tax expense arising from the sale of the Company's interest in the RHIOJV during the 2022 financial year includes an amount relating to the estimated fair value of the contingent tranches of the consideration, for which the Company has engaged an independent expert.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable comprehensive income.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity or comprehensive income, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The amount of benefits brought to account, or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**NOTE 6. EARNINGS/(LOSS) PER SHARE**

	<b>2023</b>	<b>Restated</b>
	<b>cents</b>	<b>2022</b>
		<b>cents</b>

Basic and diluted (loss)/earnings per share	(3.54)	230.45
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The (loss)/profit used in calculating basic and diluted earnings/(loss) per share is the (loss)/profit attributable to ordinary equity holders of the Company in the Statement of Profit or Loss and Other Comprehensive Income.

	<b>2023</b>	<b>2022</b>
	\$	\$
(Loss)/profit for the year	(2,260,832)	144,492,565

	<b>No. of Shares</b>	<b>No. of Shares</b>
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted (loss)/profit per share	63,828,149	62,700,204

**NOTE 6. EARNINGS/(LOSS) PER SHARE (continued)**

The weighted average number of ordinary shares used in calculating basic and diluted earnings/(loss) per share is derived from the fully paid ordinary shares on issue. Basic earnings/(loss) per share is determined by dividing the operating profit/(loss) after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share on account of the Company's potential ordinary shares (in the form of options) not being dilutive because their conversion to ordinary shares would not increase the earnings/(loss) per share.

**NOTE 7. CASH AND CASH EQUIVALENTS**

	2023	2022
	\$	\$
Cash at bank and on hand	39,272,389	69,046,408

Cash includes deposits at call with financial institutions and other highly liquid deposits with relatively short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Information about the Company's exposure to interest rate risk and credit risk is disclosed in Note 25.

**NOTE 8. OTHER RECEIVABLES AND PREPAYMENTS**

	2023	2022
	\$	\$
Interest receivable	34,335	18,812
Other receivables and prepayments	120,487	114,554
	154,822	133,366

Interest receivable comprises pro-rata interest receivable at balance date in respect of deposits at call and bank term deposits.

Other receivables relate to amounts recoverable from the Australian Taxation Office in respect of goods and services tax (GST).

Due to their short term nature, the carrying value of trade and other receivables is equal to their fair value. No trade and other receivables are considered impaired or past due.

Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 25.



**NOTE 9. EXPLORATION AND EVALUATION ASSETS**

	2023	Restated 2022
	\$	\$
<b>Pannawonica Iron Ore Project and RHIOJV</b>		
Opening balance	9,905,915	10,008,025
Sale of the 40% interest in the RHIOJV	-	(102,110)
Closing balance	9,905,915	9,905,915
<b>West Pilbara Gold and Base Metal Project</b>		
Opening balance	903,588	-
Capitalised during the year	2,824,902	903,588
Closing balance	3,728,490	903,588
	13,634,405	10,809,503

***Pannawonica Iron Ore Project and RHIOJV***

The carrying amount represents the initial acquisition cost of the Company's wholly owned Pannawonica Iron Ore Project (\$9,905,915) and the initial acquisition cost of the tenements the subject of the RHIOJV (\$102,110). During the 2022 financial year, the Company sold its 40% interest in the RHIOJV but retained its rights to all other minerals in those tenements.

Exploration and evaluation expenditure is recorded at historical cost on an area of interest basis. Expenditure on acquisition of an area of interest is carried forward where rights to tenure of the area of interest are current and it is expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale, or exploration and evaluation activities are continuing in an area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Exploration and evaluation expenditure incurred by the Company subsequent to acquisition is expensed as incurred. Once a decision to proceed to development has been taken, all further expenditure incurred relating to the area will be capitalised.

Projects are advanced to development status when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest.

At each reporting date the Company assesses the carrying value of capitalised exploration and evaluation expenditure for impairment and if, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or that the Company no longer holds the tenure, the relevant capitalised amount is written off to the Statement of Profit or Loss and Other Comprehensive Income in the period when the new information becomes available. The recoupment of cost carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

***West Pilbara Gold and Base Metal Project***

The carrying amount represents capitalised exploration and evaluation expenditure undertaken within the tenements that form part of the West Pilbara Gold and Base Metal Project. Exploration and evaluation expenditures are capitalised as an exploration and evaluation asset in the year they are incurred where the following conditions are satisfied:

**NOTE 9. EXPLORATION AND EVALUATION ASSETS (continued)**

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is met:
  - the exploration and evaluation expenditure are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale;
  - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

In the event the event that an area of interest is abandoned, accumulated costs carried forward are written off in the year in which that decision is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Projects are advanced to development status when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest.

At each reporting date the Company assesses the carrying value of capitalised exploration and evaluation expenditure for impairment and if, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or that the Company no longer holds the tenure, the relevant capitalised amount is written off to the Statement of Profit or Loss and Other Comprehensive Income in the period when the new information becomes available. The recouping of cost carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

**NOTE 10. PLANT AND EQUIPMENT**

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the current and previous financial years is set out below:

	Leasehold improvements	Office furniture & equipment	Computer equipment	Field equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$
<b>2023</b>						
Carrying amount at 1 July 2022	7,237	51,122	62,525	-	181,569	302,453
Additions during the period	12,828	14,966	49,319	77,518	150,644	305,275
Disposals during the period	-	(656)	-	-	-	(656)
Depreciation expense	(3,956)	(8,349)	(41,507)	(13,497)	(37,707)	(105,016)
Carrying amount at 30 June 2023	16,109	57,083	70,337	64,021	294,506	502,056
Cost	20,113	67,329	118,748	77,518	333,022	616,730
Accumulated depreciation	(4,004)	(10,246)	(48,411)	(13,497)	(38,516)	(114,674)
	<b>16,109</b>	<b>57,083</b>	<b>70,337</b>	<b>64,021</b>	<b>294,506</b>	<b>502,056</b>

**NOTE 10. PLANT AND EQUIPMENT (continued)**

	Leasehold improvements	Office furniture & equipment	Computer equipment	Field equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$
<b>2022</b>						
Carrying amount at 1 July 2021	-	-	-	-	-	-
Additions during the period	7,285	53,020	69,429	-	182,378	312,112
Disposals during the period	-	-	-	-	-	-
Depreciation expense	(48)	(1,898)	(6,904)	-	(809)	(9,659)
Carrying amount at 30 June 2022	7,237	51,122	62,525	-	181,569	302,453
Cost	7,285	53,020	69,429	-	182,378	312,112
Accumulated depreciation	(48)	(1,898)	(6,904)	-	(809)	(9,659)
	<b>7,237</b>	<b>51,122</b>	<b>62,525</b>	<b>-</b>	<b>181,569</b>	<b>302,453</b>

**Recognition and measurement**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' 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 Company and the cost of the item can be measured reliably.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets.

**Depreciation**

Depreciation is calculated on a straight line basis so as to write off the net cost or revalued amount of each item of plant and equipment over its expected useful life to the Company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The depreciation rates used for the current and comparative periods are as follows:

Leasehold improvements:	6.6% - 33.0% straight line
Office furniture:	10.0% - 20.0% straight line
Computer equipment:	25.0% - 50.0% straight line
Field equipment:	20.0% - 50.0% straight line
Motor vehicles:	8.3% - 33.3% straight line

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.



**NOTE 11. RIGHT OF USE ASSET AND LEASE LIABILITY**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Right-of-use asset		
Right-of-use asset – at cost	468,246	207,064
Right-of-use asset – accumulated amortisation	(193,470)	(33,578)
Total right-of-use asset	<u>274,776</u>	<u>173,486</u>
Carrying amount at 1 July	173,486	-
Additions	261,182	207,064
Amortisation charge	(159,892)	(33,578)
Carrying amount at 30 June	<u>274,776</u>	<u>173,486</u>

The Company has recognised a right-of-use asset and corresponding lease liability in respect of two office leases and a warehouse lease.

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

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Lease liability		
Lease liability – current	163,832	64,604
Lease liability – non-current	113,716	111,667
Total lease liability	<u>277,548</u>	<u>176,271</u>
Carrying amount at 1 July	176,271	-
Additions	261,117	207,064
Lease repayment	(159,840)	(30,793)
Carrying amount at 30 June	<u>277,548</u>	<u>176,271</u>

**NOTE 11. RIGHT OF USE ASSET AND LEASE LIABILITY (continued)**

The total finance charge, in the form of interest, incurred on the lease for the financial year was \$14,040 (2022: \$3,886).

A lease liability is recognised at the commencement date of a lease. It is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

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

**NOTE 12. TRADE AND OTHER PAYABLES**

	2023	2022
	\$	\$
Trade creditors and accruals	258,116	276,672
Employee entitlements	105,352	29,850
	363,468	306,522

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Non-derivative financial liabilities are recognised initially at fair value and subsequently at amortised cost, comprising original debts less principal payments and amortisation. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Information about the Company's exposure to liquidity risk is disclosed in Note 25.

**NOTE 13. ISSUED CAPITAL**

**a. Share capital**

	2023	2022
	\$	\$
63,828,149 (2022: 63,828,149) fully paid ordinary shares	30,188,863	30,188,863

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributed 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. The Company's capital risk management policy is set out in Note 25.

**b. Rights attaching to ordinary shares**

The ordinary shares have no par value. Ordinary shares entitle the holder to participate in dividends and in the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary fully paid shares present at a meeting, in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. The ordinary shares are listed on the ASX and carry no trade restrictions.

**NOTE 13. ISSUED CAPITAL (continued)**

**c. Movements in ordinary fully paid shares during the past two years**

	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Number of</b>	<b>Number of</b>	<b>\$</b>	<b>\$</b>
	<b>shares</b>	<b>shares</b>		
<b>At 1 July</b>	63,828,149	59,878,149	30,188,863	28,081,923
Shares issued on exercise of options, net of costs	-	3,950,000	-	2,106,940
<b>At 30 June</b>	<u>63,828,149</u>	<u>63,828,149</u>	<u>30,188,863</u>	<u>30,188,863</u>

**d. Options to acquire ordinary shares**

Set out below is a summary of unlisted options to acquire ordinary shares in the Company:

<b>Type of options</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>2023</b>	<b>2022</b>
			<b>No of options</b>	<b>No of options</b>
Employee options	26 Jul 2025	\$3.50	333,334	-
Employee options	26 Jul 2026	\$3.50	333,333	-
Employee options	26 Jul 2027	\$3.50	333,333	-
Employee options	21 Sep 2025	\$4.15	133,334	-
Employee options	21 Sep 2026	\$4.15	133,333	-
Employee options	21 Sep 2027	\$4.15	133,333	-
Total			<u>1,400,000</u>	<u>-</u>

The Company's policy on share-based payments, partly paid shares and share options is set out in Note 23.

**NOTE 14. RESERVES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Share based payments reserve	1,539,398	243,532
Future value option reserve	1,078,770	1,078,770
	<u>2,618,168</u>	<u>1,322,302</u>

The share based payments reserve is used to recognise the fair value of options issued.

The future value option reserve arises on the exercise of options when the share based payments reserve attributable to the options being exercised is transferred to this reserve.



**NOTE 15. DIVIDENDS**

	<b>2023</b>	<b>2022</b>
	\$	\$
Special fully franked dividend of \$0.20	12,765,630	-
Special fully franked dividend of \$1.20	-	76,593,779
Special fully franked dividend of \$0.20	-	12,765,630
	<u>12,765,630</u>	<u>89,359,409</u>

During the current year, the Company paid a special dividend of \$0.20 per ordinary share, fully franked at 30%. Franking credits available for subsequent reporting periods based on a tax rate of 30% (2022: 25%) amount to \$8,846,517 at 30 June 2023 (2022: \$147,117).

**NOTE 16. CASH FLOW INFORMATION**

	<b>2023</b>	<b>Restated 2022</b>
	\$	\$
<b>Reconciliation of (loss)/profit after income tax with cash flow from operating activities:</b>		
(Loss)/profit after income tax	(2,260,832)	144,492,565
Share-based payments	1,295,866	-
Depreciation – plant and equipment	105,016	9,659
Amortisation – right of use asset	159,892	33,578
Profit from disposal of joint venture interest	-	(199,897,890)
Change in operating assets and liabilities:		
Increase in other receivables and prepayments	(40,322)	(86,649)
Increase/(decrease) in payables and provisions	57,540	(27,027)
(Decrease)/increase in tax payable	(13,025,039)	13,029,365
Increase in GST receivable	(10,493)	(95,934)
<b>Net cash outflows from operating activities</b>	<u><b>(13,718,372)</b></u>	<u><b>(42,542,333)</b></u>
<b>Changes in liabilities arising from financing activities</b>		
Borrowings		
Opening balance	-	-
Proceeds from borrowings	-	220,000
Repayment of borrowings	-	(220,000)
Closing balance	<u>-</u>	<u>-</u>
Lease liability		
Opening balance	176,271	-
Non-cash flow movement on lease additions	261,117	207,064
Net cash outflow of lease payments	(159,840)	(30,793)
Closing balance	<u>277,548</u>	<u>176,271</u>

There were no non-cash flows from investing activities.

## NOTE 17. CONTINGENT ASSETS AND LIABILITIES

The Company has a contingent asset of \$200 million in relation to a cash payment receivable when the first commercial shipment of iron ore extracted from the RHIOJV mining tenements departs port (FOOS date) and a royalty of 0.75% of FOB revenue payable on all iron ore extracted and sold from the RHIOJV mining tenements, Mineral Resources Limited's Bungaroo South mining tenements if developed in association with the development of one of more of the RHIOJV tenements and, during the first 10 years from the FOOS date, the APIJV-owned Upper Red Hill Creek mining tenement.

There are no contingent liabilities for termination benefits under service agreements with Directors or Executives at 30 June 2023. The Directors are not aware of any other contingent liabilities as at 30 June 2023.

## NOTE 18. COMMITMENTS

### Mineral Tenements

In order to maintain the mineral tenements that the Company holds, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted.

The minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Mines Industry Regulation and Safety for the next financial year in respect of the Pannawonica Project is \$288,895 (2022: \$260,000).

The minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Mines Industry Regulation and Safety for the next financial year in respect of the Company's retained interest in the other mineral rights within the RHIOJV tenements will continue to be the responsibility of Mineral Resources Limited as the manager of the RHIOJV.

These commitments are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to governmental approval. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

## NOTE 19. RELATED PARTY TRANSACTIONS

### a. Key management personnel

The key management personnel of the Company are the Directors and the Chief Executive Officer.

Directors of the Company during the financial year were:

Joshua Pitt  
Garry Strong  
Mark Okeby  
Nanette Allen

The Chief Executive Officer of the Company during the year was:

Michael Wall (appointed 28 July 2022).

The compensation paid to key management personnel during the year is set out below:

	2023	2022
	\$	\$
Short-term employee benefits	498,108	316,162
Post-employment benefits	52,301	42,421
Share-based payments	946,977	-
	1,497,386	358,583

**NOTE 19. RELATED PARTY TRANSACTIONS (continued)**

Further details regarding the key management personnel remuneration are provided in the Audited Remuneration Report contained in the Directors' Report accompanying these financial statements.

**b. Transactions with Director-related entities**

**Payments to related parties**

During the prior year the Company paid Hampton Hill Mining NL, an entity associated with Mr Pitt, with respect to rental of office space and provision of administration services. Payments for the year ended 30 June 2023 were nil (2022: \$77,807).

During the prior year the Company paid Mr Okeby, a director of the Company, for work undertaken in addition to his director duties. Payments related to work in addition to his director duties during the year ended 30 June 2023 were nil (2022: \$166,326).

**Payments from related parties**

During the year, the Company received \$10,182 from Hampton Hill Mining NL for the provision of office space and administration services (2022: nil). Mr Pitt is a director and shareholder of Hampton Hill Mining NL. This agreement is at arms-length and on normal commercial terms and conditions.

During the year, the Company received \$10,800 from Murchison Prospecting Partnership, for the provision of office space and administration services (2022: nil). Mr Pitt and Mr Strong are associated with the Murchison Prospecting Partnership.

During the year, the Company received \$1,240 (2022: nil) from Traka Resources Limited for the provision of staff amenities. Mr Pitt is a director and shareholder of Traka Resources Limited.

**Borrowings from Director**

During the year, there were no loans between the Company and Directors. During the 2022 financial year, the Company drew down \$220,000 on a loan facility provided by a company associated with a Director, Mr Pitt. The facility, bearing interest rate of 2.5% per annum, was terminated during the 2022 financial year after repayment in full, inclusive of interest of \$458.

**NOTE 20. EVENTS OCCURRING AFTER BALANCE DATE**

On 3 July 2023 the Company announced a special dividend of \$0.10 per ordinary share, fully franked at 30%. The dividend was paid on 18 July 2023.

On 26 July 2023 Mineral Resources Limited advised that it had received all major approvals for the Onslow Iron Project, and that the first-ore-on-ship delivery is expected in June 2024.

To the best of the Directors' knowledge and belief, there were no other material items, transactions or events subsequent to the end of the financial year which have not been dealt with in these financial statements and which would cause reliance on the information shown in this report to be misleading.

**NOTE 21. MINERAL EXPLORATION AGREEMENTS**

The Company retains 100% interest in all minerals except iron ore within the RHIOJV tenements. The Company disposed of its iron ore interest to a wholly owned subsidiary of Mineral Resources Limited during the year ended 30 June 2022.



**NOTE 22. REMUNERATION OF AUDITORS**

	2023	2022
	\$	\$
Amounts received, or due and receivable, by HLB Mann Judd (WA Partnership) for:		
Auditing and review of the financial reports of the Company	50,609	65,214
Other services	-	-
	50,609	65,214

**NOTE 23. SHARE-BASED PAYMENTS**

The Company has an Employee Securities Incentive Plan (Plan), the details of which have been announced to the ASX. The Company from time-to-time may grant convertible securities to acquire ordinary fully paid shares in the Company to management personnel and other staff on terms set out in the Plan. The granting of convertible securities is at the Directors' discretion and is designed to provide an incentive component in the remuneration package of personnel. Convertible securities granted under the Plan carry no dividend or voting rights. Each convertible security is exercisable into a fully paid ordinary share of the Company.

The fair value of convertible securities is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the convertible securities. The fair value at grant date is determined using a relevant pricing model that takes into account the price, the term, the vesting and performance criteria, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term.

Set out below is a summary of the movements in options on issue during the current and prior years:

Grant date	Expiry date	Exercise price \$	Outstanding at start of year number	Granted number	Exercised/ Expired number	Outstanding at end of year number
<b>2023</b>						
<b>Employee</b>						
27 Jul 2022	26 Jul 2025	3.50	-	333,334	-	333,334
27 Jul 2022	26 Jul 2026	3.50	-	333,333	-	333,333
27 Jul 2022	26 Jul 2027	3.50	-	333,333	-	333,333
19 Sep 2022	21 Sep 2025	4.15	-	133,334	-	133,334
19 Sep 2022	21 Sep 2026	4.15	-	133,333	-	133,333
19 Sep 2022	21 Sep 2027	4.15	-	133,333	-	133,333
Total			-	1,400,000	-	1,400,000
<b>Vested and exercisable at 30 June</b>						-
<b>Weighted average exercise price (\$)</b>						<b>3.69</b>

**NOTE 23. SHARE-BASED PAYMENTS (continued)**

Grant date	Expiry date	Exercise price \$	Outstanding at start of year number	Granted number	Exercised/ Expired number	Outstanding at end of year number
<b>2022</b>						
<b>Employee</b>						
10 Jul 2020	30 Jun 2022	0.25	2,450,000	-	(2,450,000)	-
<b>Director</b>						
27 Apr 2021	7 Mar 2024	1.00	1,500,000	-	(1,500,000)	-
Total			3,950,000	-	(3,950,000)	-
<b>Vested and exercisable at 30 June</b>						-
<b>Weighted average exercise price (\$)</b>						-

The weighted average remaining contractual life of options outstanding at the end of the year was 3.12 years (2022: nil).

The options issued during the 2023 financial year were valued using the Black-Scholes model for the valuation of all options, the input of which included:

Grant date	27 Jul 2022	19 Sep 2022
Exercise by:		
Tranche A	27 Jul 2025	22 Sep 2025
Tranche B	27 Jul 2026	22 Sep 2026
Tranche C	27 Jul 2027	22 Sep 2027
Expected average life of options	3 – 5 years	3 – 5 years
Exercise price per share	\$3.50	\$4.15
Share price at grant date	\$3.20	\$3.65
Expected volatility	74%	73%
Risk-free interest rate:		
Tranches A and B	3.31%	3.36%
Tranche C	3.51%	3.46%
Fair value per option at grant date:		
Tranche A	\$1.54	\$1.70
Tranche B	\$1.76	\$1.96
Tranche C	\$1.95	\$2.17

**NOTE 24. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**Key estimates - impairment**

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of exploration and evaluation assets, and plant and equipment. Where an impairment trigger exists under the relevant standard, the recoverable amount of the asset is determined. The recoverable amount of the asset is the higher of its value in use and its fair value less costs to sell. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and fair value less costs to sell is determined using market rates.

**NOTE 24. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**Capitalisation of exploration and evaluation expenditure**

The amount attributable to Exploration and Evaluation Assets in the Statement of Financial Position of \$13,634,405 (2022: \$10,809,503) relates to the Company's interest in the Pannawonica Project, RHIOJV Project, and West Pilbara Gold and Base Metal Project. The balance has been carried forward on the basis that the Directors consider there to be no facts or circumstances suggesting that the carrying amount of the exploration and evaluation assets may exceed their recoverable amount.

**Share-based payment transactions**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by using a Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. Refer to Note 23 for further information.

**Tax treatment of RHIOJV disposal contingent consideration**

The prior year income tax expense arising from the sale of the Company's interest in the RHIOJV included an estimate of the fair value of the contingent tranches of the consideration, for which the Company engaged an independent expert.

**NOTE 25. FINANCIAL RISK MANAGEMENT**

The Company, in its normal course of business, is exposed to financial risks comprising market risk (essentially interest rate risk), credit risk and liquidity risk.

The Directors have overall responsibility for the Company's management of these risks and seek to minimise these risks through ongoing monitoring and review of the adequacy of the risk management framework in relation to the risks encountered by the Company.

**a. Market risk**

**Interest rate risk**

The Company is exposed to Australian money market interest rates in respect of its cash assets. The risk is managed by monitoring the interest rate yield curve out to 90 days to ensure a balance is maintained between the liquidity of its cash assets and interest rate return. The weighted average rate of interest to which the Company was exposed on its cash assets as at the year end was 3.55% (2022: 1.36%).

At balance date, if interest rates had been 0.5% higher or lower and all other variables were held constant, the Company's profit or loss would increase/decrease by \$241,500 (2022: \$345,232); with no effect (2022: nil) on other components of equity.

The Company has no interest rate risk associated with any of its other financial assets or liabilities.



**NOTE 25. FINANCIAL RISK MANAGEMENT (continued)**

**b. Liquidity risk**

The Company has no significant exposure to liquidity risk as the Company's only debt is that associated with trade creditors in respect of which the Company's policy is to ensure payment within 30 days. The Company manages its liquidity by monitoring forecast cash flows.

The following tables detail the Company's expected undiscounted contractual maturity for its financial liabilities based on the earliest date the Company can be required to repay, and includes both interest and principal cash flows:

	Interest rate	Within 6 months \$	6 -12 months \$	1 – 2 years \$	2+ years \$
<b>2023</b>					
Trade and other payables	-	363,468	-	-	-
Income tax payable	-	-	-	-	-
Lease liability	4.0%	88,077	83,579	81,197	35,997
<b>2022</b>					
Trade and other payables	-	306,522	-	-	-
Income tax payable	-	13,025,039	-	-	-
Lease liability	4.0%	34,679	35,811	72,566	42,880

**c. Credit risk**

The Company does not have any significant exposure to credit risk. The minimal exposure to credit risk that could arise is from having its cash assets deposited at only two banks. Whilst the risk of a bank failing is considered minimal, the Company manages this exposure by ensuring its funds are deposited only with major banks with high security ratings.

**d. Capital risk management**

The Company's objective in managing capital, which consists of equity capital and reserves less accumulated losses to date, is to safeguard its ability to continue as a going concern, so that it can continue to explore for minerals with the ultimate objective of providing returns for shareholders whilst maintaining an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets, or farm out joint venture interests in its projects.

Red Hill Minerals Limited is a public company, incorporated and domiciled in Australia and listed on the ASX. During the financial year, the principal activities of the Company consisted of the exploration for gold and base metals. The accounting policies adopted in the preparation of the financial statements that relate specifically to matters dealt with in the preceding notes, are set out in the relevant notes. The more general accounting policies not already set out above, are listed below.

These policies have been consistently applied to all the years presented unless otherwise stated.

**NOTE 26. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation**

This general-purpose financial report has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001. The Company is a for-profit entity for the purpose of applying these standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar. The financial statements have been prepared under the historical cost convention and on an accrual basis.

The financial report was authorised for issue by the Board of Directors.

**NOTE 26. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**b. Statement of Compliance**

The financial report of Red Hill Minerals Limited complies with Australian Accounting Standards, which include AIFRS. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety.

**c. Voluntary change in accounting policy**

**Exploration and Evaluation accounting policy**

The financial report for the year ended 30 June 2023 has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure. In previous financial periods, the costs incurred in connection with exploration areas with current rights of tenure, except for acquisition costs, were expensed to the Statement of Profit and Loss and Other Comprehensive Income.

The new accounting policy was adopted as of 1 July 2022 and has been applied retrospectively. Under the new policy, exploration and evaluation expenditure in relation to West Pilbara Gold and Base Metal Project are capitalised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred in relation to the Pannawonica Iron Ore Project continues to be expensed.

In the event the event that an area of interest is abandoned, accumulated costs carried forward are written off in the year in which that decision is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The Directors believe that the change in accounting policy offers users more relevant and equally reliable financial information as the policy is more transparent and less subjective, and are of the opinion that the new policy more effectively addresses the long-term exploration activities associated with certain areas of interest. Both the previous and new accounting policies comply with AASB 6 Exploration for and Evaluation of Mineral Resources.

**NOTE 26. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Impact on financial statements of voluntary change in accounting policy**

As a result of the change in accounting policy, prior year financial statements had to be restated. The amounts disclosed for the financial year ended 30 June 2022 are the restated numbers after the change in accounting policy for exploration and evaluation expenditure.

i. Balances affected in the Statement of Profit or Loss and Other Comprehensive Income

	Prior year restatement		
	Previously stated 30 June 2022	Adjustment	Restated at 30 June 2022
	\$	\$	\$
Exploration and evaluation expenditure	(1,547,653)	903,588	(644,065)
Profit before income tax	195,618,342	903,588	196,521,930
Income tax expense	(52,029,365)	-	(52,029,365)
Profit after tax	<b>143,588,977</b>	<b>903,588</b>	<b>144,492,565</b>
Total comprehensive income for the year attributable to the ordinary equity holders of the Company	<b>143,588,977</b>	<b>903,588</b>	<b>144,492,565</b>
Earnings per share attributable to the owners of the Company (cents)		Previous 2022 229.01	Restated 2022 230.45

ii. Balances affected in the Statement of Financial Position

	Prior year restatement		
	Previously stated 30 June 2022	Adjustment	Restated at 30 June 2022
	\$	\$	\$
Exploration and evaluation assets	9,905,915	903,588	10,809,503
Total assets	79,623,047	903,588	80,526,635
<b>Net assets</b>	<b>66,115,215</b>	<b>903,588</b>	<b>67,018,803</b>
Retained earnings	34,604,050	903,588	35,507,638
<b>Total equity</b>	<b>66,115,215</b>	<b>903,588</b>	<b>67,018,803</b>

**NOTE 26. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

iii. Impact on Statement of Cash Flows

	Prior year restatement		
	Previously stated 30 June 2022 \$	Adjustment \$	Restated at 30 June 2022 \$
Net cash outflows from operating activities	(43,445,921)	903,588	(42,542,333)
Net cash inflows from financing activities	199,687,888	(903,588)	198,784,300

Exploration and evaluation expenditure that is expensed is included as part of cash flows from operating activities, whereas exploration and evaluation expenditure that is capitalised is classified as cash flows from investing activities. As a result of the change in accounting policy, previously expensed exploration costs of \$903,588 for the year ended 30 June 2022 and related to the West Pilbara Base Metal Project have been capitalised and classified as cash flows from investing activities.

iv. Impact on Statement of Changes in Equity

	Prior year restatement		
	Previously stated 30 June 2022 \$	Adjustment \$	Restated at 30 June 2022 \$
Profit after tax	143,588,977	903,588	144,492,565
Retained earnings	34,604,050	903,588	35,507,638

**d. Impairment of assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any objective evidence that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**e. Financial assets and liabilities**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out in the relevant notes.

**f. Critical accounting estimates and judgements**

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



**NOTE 26. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**g. Employee benefits**

**Wages and salaries, annual leave and sick leave**

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

**Retirement benefits obligations**

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

**h. Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the Statement of Financial Position.

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

**i. Accounting standards and interpretations**

**New accounting standards and interpretations adopted**

The Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the reporting periods beginning on or after 1 July 2022.

As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations on the Company and therefore no material change is necessary to accounting policies.

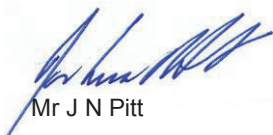
**New accounting standards and interpretations in issue, not yet adopted**

The Company has also reviewed all the new and revised Standards and Interpretations in issue, not yet adopted, that are relevant to the Company and effective for the current annual reporting period beginning on or after 1 July 2022.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue, not yet adopted, on the Company and therefore no material change is necessary to accounting policies.

- 1 In the opinion of the Directors of the Company
  - a. the accompanying financial statements are in accordance with the Corporations Act 2001 and
    - (i) give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year then ended; and
    - (ii) comply with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
  - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - c. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
  
- 2 This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

This declaration is signed in accordance with a resolution of the Board of Directors on 21 September 2023 and is signed for and on behalf of the Directors by:



Mr J N Pitt

Chairman

## INDEPENDENT AUDITOR'S REPORT

To the Members of Red Hill Minerals Limited (formerly Red Hill Iron Limited)

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### *Opinion*

We have audited the financial report of Red Hill Minerals Limited (formerly Red Hill Iron Limited) ("the Company") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

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

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

#### **Key Audit Matters**

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

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

**[hlb.com.au](http://hlb.com.au)**

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Key Audit Matter	How our audit addressed the key audit matter
<p><b>Change in accounting policy</b> <b>Note 26(c)</b></p> <p>The Company changed its accounting policy in relation to its West Pilbara Gold and Base Metals Project to capitalise all exploration and evaluation expenditure as an exploration and evaluation asset. As a result of the change of accounting policy, the Company restated its 30 June 2022 comparative balances to recognise an exploration and evaluation asset of \$903,588 in respect of this Project.</p> <p>The change in accounting policy was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area that involved the most audit effort and communication with those charged with governance.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the key processes associated with management's change in accounting policy;</li> <li>- Considered if the change in accounting policy made the financial statements more relevant to the economic decision-making needs of users;</li> <li>- Substantiated a sample of expenditure incurred in the year ended 30 June 2022 by agreeing to supporting documentation;</li> <li>- Obtained evidence that the Company had rights to tenure of tenements comprising the West Pilbara and Base Metals Project as at 30 June 2022; and</li> <li>- Examined the disclosures made in the financial report.</li> </ul>
<p><b>Exploration and evaluation assets</b> <b>Note 9</b></p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Company capitalises all exploration and evaluation expenditure on its West Pilbara Gold and Base Metals Project and exploration acquisition costs on its Pannawonica Iron Ore Project and as at 30 June 2023 had a deferred exploration and evaluation expenditure balance of \$13,634,405.</p> <p>Accounting for exploration and evaluation assets was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area that involved the most audit effort and communication with those charged with governance.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure;</li> <li>- Considered the Directors' assessment of potential indicators of impairment in addition to making our own assessment;</li> <li>- Obtained evidence that the Company has current rights to tenure of its areas of interest;</li> <li>- Considered the nature and extent of planned ongoing activities;</li> <li>- Substantiated a sample of expenditure by agreeing to supporting documentation; and</li> <li>- Examined the disclosures made in the financial report.</li> </ul>



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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

#### *Responsibilities of the Directors for the Financial Report*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Report*

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

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

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

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

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

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

## **REPORT ON THE REMUNERATION REPORT**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Red Hill Minerals Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

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



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**21 September 2023**



**D B Healy**  
**Partner**

## SUBSTANTIAL SHAREHOLDERS

Substantial shareholders and/or associates with the number of ordinary shares in the Company to which each has a relevant interest:

Shareholder Name	Number of Ordinary Shares	Percentage of Capital (%)
Perth Capital Pty Ltd and associates	22,060,511	34.56
China Baowu Steel Group Corporation Limited	9,920,202	15.54
Aigle Royal Superannuation Pty Ltd <The A Poli Superannuation Fund>	7,137,540	11.18
AMCI Group LLC <Series 12>	4,051,210	6.35

## VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are no restricted ordinary shares on issue), at a general meeting every shareholder or class of shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each fully paid share which that member holds or represents and, in respect of partly paid shares, voting rights pro-rata to the amount paid up or credited as paid up on each such share.

## ON-MARKET BUY-BACK

There is no current on-market buy-back of securities.

## NUMBER AND DISTRIBUTION OF SHARES AND OPTIONS

	Number on Issue	Number of Holders
<b>Shares - listed</b>		
Ordinary shares fully paid	63,828,149	764
<b>Options over unissued shares – unlisted</b>		
Options vested 27 July 2023, exercisable at \$3.50, expiring 26 July 2025	333,334	1
Options vesting 27 July 2024, exercisable at \$3.50, expiring 26 July 2026	333,333	1
Options vesting 27 July 2025, exercisable at \$3.50, expiring 26 July 2027	333,333	1
Options vesting 22 September 2023, exercisable at \$4.15, expiring 21 September 2025	133,334	1
Options vesting 22 September 2024, exercisable at \$4.15, expiring 21 September 2026	133,333	1
Options vesting 22 September 2025, exercisable at \$4.15, expiring 21 September 2027	133,333	1

## Distribution of shares and options by size of holding:

Range	Ordinary fully paid shares			Options	
	Number of Holders	Number of Shares	% Held	Number of Holders	Number of Options
1 – 1,000	341	146,010	0.23%	-	-
1,001 – 5,000	205	534,738	0.84%	-	-
5,001 – 10,000	64	529,093	0.83%	-	-
10,001 – 100,000	103	2,930,666	4.59%	-	-
100,001 and over	51	59,687,642	93.51%	2	1,400,000
<b>Total</b>	<b>764</b>	<b>63,828,149</b>	<b>100.00%</b>	<b>2</b>	<b>1,400,000</b>

## UNMARKETABLE PARCEL

There are 76 holders of less than a marketable parcel of ordinary shares.



## TWENTY LARGEST SHAREHOLDERS

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

	<b>Shareholder name</b>	<b>Number of Ordinary Shares</b>	<b>Percentage of Capital (%)</b>
1	Perth Capital Pty Ltd	11,616,544	18.20
2	Aquila Resources Ltd	9,920,202	15.54
3	Elohpool Pty Ltd	8,862,286	13.88
4	Aigle Royal Superannuation Pty Ltd <A Poli Super Fund A/c>	7,205,040	12.06
5	Citicorp Nominees Pty Ltd	4,055,476	6.35
6	Yandal Investments Pty Ltd	2,200,000	3.45
7	D H Stewart	2,000,000	3.13
8	Liberty Management Pty Ltd <The Liberty Super Fund A/c>	1,857,142	2.91
9	Glyde Street Nominees Pty Ltd <J Pitt Super Fund A/c>	1,441,371	2.26
10	Strong Investments Pty Ltd <The Prospectors Super A/c>	988,392	1.55
11	G R Strong	878,092	1.38
12	Fifty-First Y Pty Ltd <Clarkefarm Super Fund A/c>	667,142	1.05
13	Anneling Pty Ltd <Serendipity Super Fund A/c>	616,255	0.97
14	Liberty Management Pty Ltd <The Liberty A/c>	500,000	0.78
15	N M Allen <Arete A/c>	500,000	0.78
16	M E l'Ons	472,000	0.74
17	Palm Beach Nominees Pty Ltd	441,202	0.69
18	J Hughes & L Hughes <Inkese Super A/c>	430,000	0.67
19	P R Penny	422,000	0.66
20	H M Phillips <J F G Phillips Family A/c>	389,280	0.61
	<b>Total Top 20</b>	<b>55,952,287</b>	<b>87.66</b>

**PROJECT: PANNAWONICA**

<b>Commodity:</b>	Iron ore
<b>Red Hill Minerals interest:</b>	100%
<b>Location:</b>	West Pilbara, Western Australia
<b>Review:</b>	The Mineral Resources and Ore Reserves of the project remained unchanged during the year ended 30 June 2023.

**Mineral Resources (JORC 2012):** *(Red Hill Minerals ASX announcement 18 February 2014)*

Project	JORC category	Mt	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	SiO <sub>2</sub> (%)	LOI (%)
Pannawonica	Measured	5.5	53.8	4.7	0.03	8.2	9.4
	Indicated	47.6	53.4	5.1	0.05	8.8	9.0
	Inferred	9.3	53.4	5.2	0.05	8.6	9.1
	<b>Total</b>	<b>62.5</b>	<b>53.4</b>	<b>5.1</b>	<b>0.05</b>	<b>8.7</b>	<b>9.0</b>

The Mineral Resources in this table are inclusive of the Ore Reserves in the table below.

**Ore Reserves (JORC 2012):** *(Red Hill Minerals ASX announcement 23 July 2021)*

Project	JORC category	Mt	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	SiO <sub>2</sub> (%)	LOI (%)
Pannawonica	Proved	0.63	55.7	3.8	0.03	6.2	8.9
	Probable	4.05	56.0	4.4	0.05	6.7	8.0
	<b>Total</b>	<b>4.68</b>	<b>56.0</b>	<b>4.3</b>	<b>0.04</b>	<b>6.6</b>	<b>8.2</b>

**Comparison with previous year:**

There have been no changes in the Mineral Resources and Ore Reserves since the previous year's statement.

**Competent Person Statement:**

The information in this report that relates to Mineral Resources and Ore Reserves for the Pannawonica Project is based on, and fairly represents, information compiled by Mr Douglas Stewart, who is an employee of Red Hill Iron Limited. Mr Stewart is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Stewart has had sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2012). Mr Stewart consents to the inclusion of this information in this public statement in the form and context in which it appears.

**Governance and internal controls:**

The Company is satisfied that the above statements of Minerals Resources and Ore Reserves comply with the Company's Corporate Governance arrangements and internal controls.



# RED HILL MINERALS Limited

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