

Annual Report 2021

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Corporate Directory

Directors

Tolga Kumova (Executive Chairman)

Dale Ginn (Managing Director)

Rob Jewson (Executive Director)

Registered and business address

Suite 23, 513 Hay Street

Subiaco WA 6008

Telephone: +61 8 6143 6740

Website: www.astonminerals.com

Company secretary

Oonagh Malone

Auditors

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco WA 6008

Securities exchange

Australian Securities Exchange (ASX)

Code: ASO

Home office: Perth

Share registry

Automatic Registry Services

126 Phillip Street

Sydney, New South Wales 2000

Telephone: 1300 288 664

Country of incorporation and domicile

Australia

Review of Operations

Edleston Gold Project – Canada

In August 2020, Aston Minerals Limited (**Aston** or **the Company**) completed the 100% acquisition of the Edleston Gold Project located in Ontario, Canada. Further acquisitions have since been undertaken to consolidate the area with the current landholding now standing at 263km².

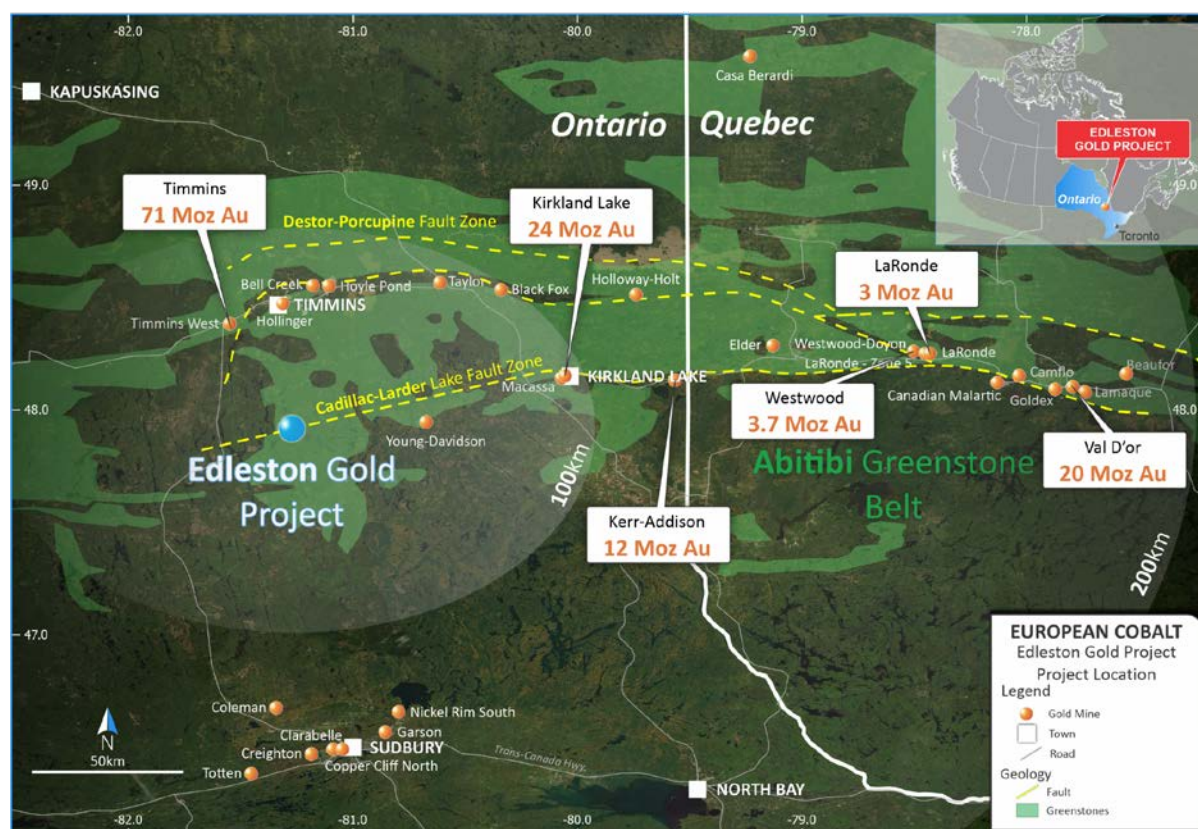


Figure 1: Edleston Gold Project Location Plan

Project Overview

The Edleston Project is located approximately 60km via road to the south of Timmins, Ontario. Both towns of Kirkland Lake and Timmins are significant former and current producers, with all required services and skilled labour available to support exploration and development of the Project.

Edleston is located within the Abitibi Greenstone Belt of Archean metavolcanic and metasedimentary assemblages which have been steeply folded with the axes trending in a general east-west direction. These have been intruded mainly by large granitic bodies and by masses of mafic and ultramafic rocks and well as several ages of younger dolerite dykes. The Abitibi Greenstone Belt extends from north-eastern Ontario and northern Quebec for over 800km.

Regionally the Project is located within the western extension of the Cadillac-Larder Fault Zone along which a number of major gold deposits and mines are located. The occurrence of a Timiskaming conglomerate, similar to that occurring at Kirkland Lake, at several places within the eastern extent of the Project supports this view.

The host lithology is an altered and sheared ultramafic that exhibits extensive silicification and contains abundant quartz-carbonate veins, veinlets and fracture fill. This host unit extends over 10km to the east of the drilled area.

Mineralisation is broadly distributed throughout this lithology as pyrite in ranges of 3 to 5% with trace chalcopyrite and occasional visible gold. Intercalated volcanic and metasedimentary units lie to the north and south of the Edleston mineralised zone.

Along strike 1.5km to the east of the drill defined Edleston Zone is the Sirola Zone which exhibits identical geology and mineralisation and contains some of the only exposed outcrops in the region. Outcrops consist of an altered reddish feldspar porphyry which lies in contact with mineralised ultramafic volcanic. These formations have a general strike of 100 degrees azimuth with a steep dip and are generally sheared and highly altered by carbonatization and silicification.

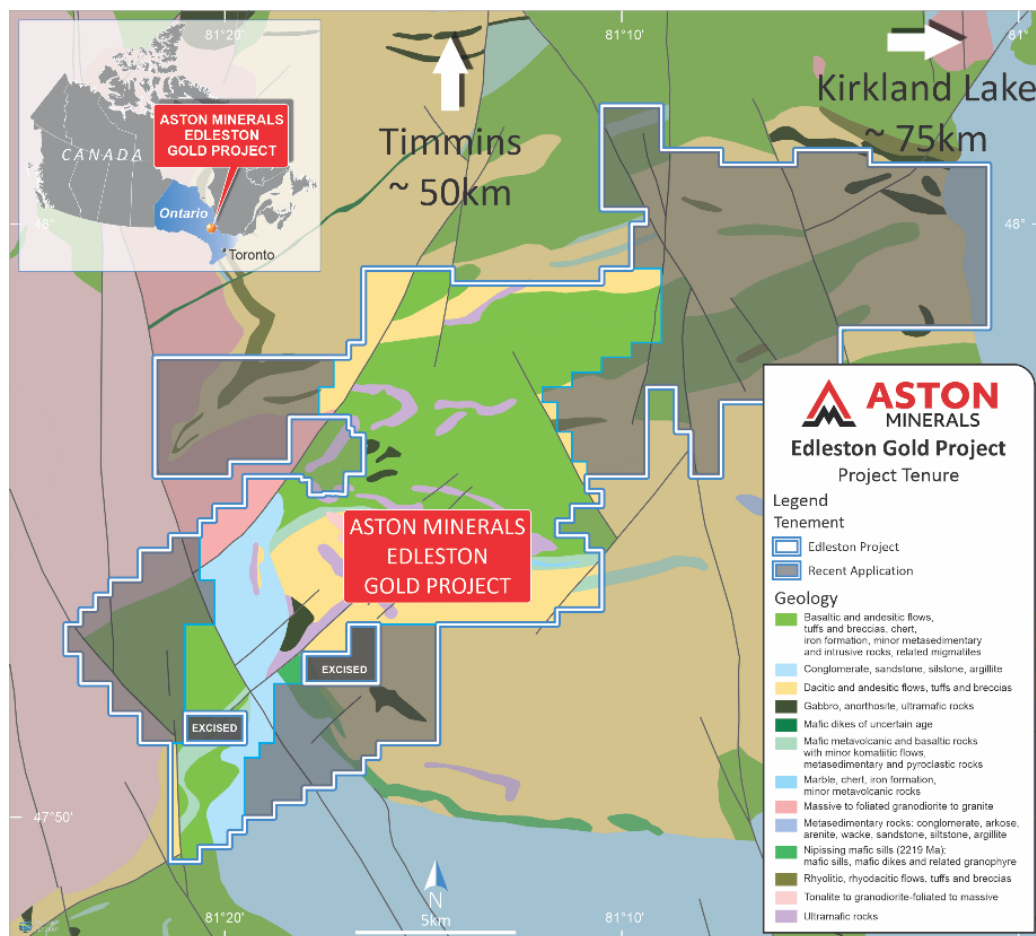


Figure 2: Regional tenure plan with most recent acquisitions via direct application shaded grey

Commencement of Diamond Drilling

In March 2021, the maiden diamond drilling program commenced at Edleston, the first drilling program completed in close to a decade. The third drill hole completed, DDED21-003 intersected 1m at 2,035g/t Au from 362m inclusive of 0.5m at 4,060g/t Au.

The drilling being completed across Edleston has multiple objectives including:

- Infilling and extending areas of known mineralisation to test for both continuity and extension potential
- Allowing for collection of detailed geotechnical information for utilisation in geotechnical studies
- Providing sample from respective mineralisation domains for metallurgical characterisation and test work
- Underpinning future mineral resource estimates
- Providing petrophysical samples for assisting with geophysical modelling

Through the course of the active drilling program underway at Edleston utilising two diamond drill rigs, visible gold has been intersected at both Edleston Main and Sirola Prospect areas across three holes.

The third drill hole of the program at Edleston Main (DDED21-003) intersected an intense zone of quartz veining with pyrite and pyrrhotite and occasional visible gold was intersected over a 12m interval (Figure 2). This 12m interval was prioritised for core processing and analysis and returned an assay of **1m at 2,035g/t Au** from 362m down hole **including 0.5m at 4,060g/t Au** from 362m down hole.



Figure 3: Interval of coarse visible gold veinlets at 362m (DDED21-003)

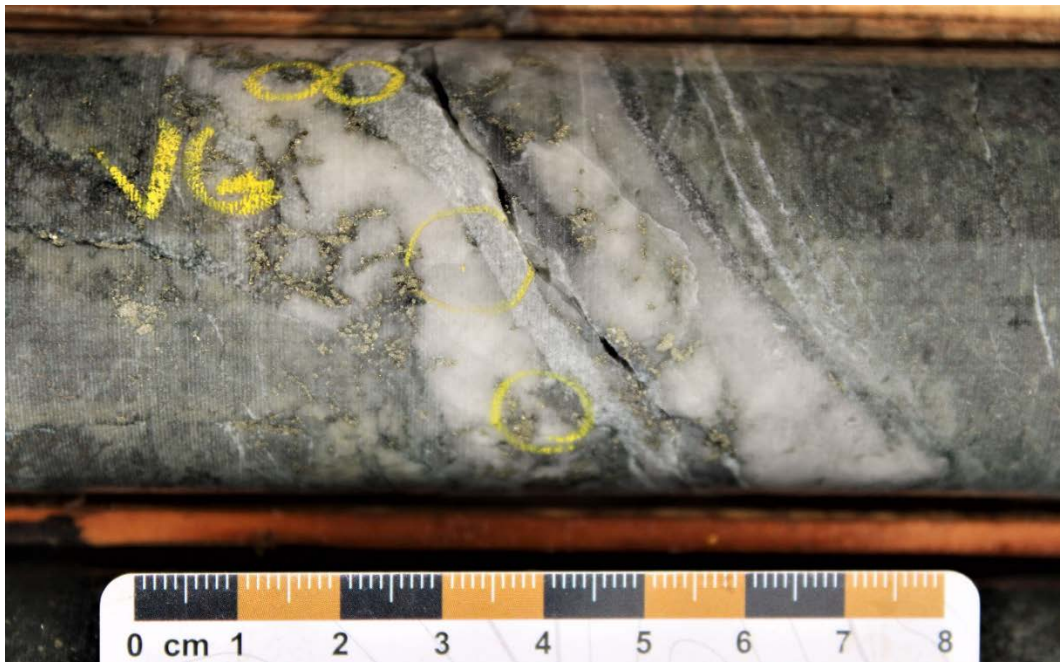


Figure 4: DDED16-021: Visible Gold at 162.6m

The second hole into Edleston Main Zone intersected visible gold in two zones at 113.4m and 162.6m downhole depths (Figure 3).

At the Sirola Zone, the first diamond drill hole intersected visible gold at a depth of 469.5m within a quartz-carbonate vein with fuchsite alteration surrounding the vein (Figure 4). Previous drilling within the area of Sirola is particularly shallow and does not appear to have effectively targeted the prospective felsic intrusion and contact zones.



Figure 5: DDED21-038- Visible Gold Intersected from 469.5m at Sirola Prospect

Seven discrete zones are noted to occur within DDED21-035, which is located in the eastern quadrant of Edleston Main zone.



Figure 6: DDED21-035 - visible gold intersected from 101.78m at Edleston Main

3D IP Survey

A high resolution 3D IP survey has been undertaken across the Edleston Gold Project. The survey covers an area of ~5.6km² across Edleston Main Zone all the way past Sirola and including the Edleston Northern Zone. The survey has provided a detailed 3D model of the chargeability and resistivity response across 2.8km of strike to a depth of about 500m. The near-surface resolution of the survey is approximately 15m.

Mineralisation was initially discovered at Edleston through testing of 2D IP chargeability anomalies. The 3D IP survey provides multiple advantages relative to previous 2D IP surveys including ability to increase depth resolution from ~100m to ~500m below surface.

An inversion model of the 3D IP chargeability and resistivity data was generated and was utilised in conjunction with other available geological and geophysical datasets. IP chargeability response has shown a strong degree of correlation with sulphide abundance.

The targeting performed across Sirola has outlined a substantial cluster of high chargeability responses. Recent drilling completed has confirmed the association with sulphides. Rock chip sampling of gossanous material from Sirola has previously reported grades of up to 92.2g/t Au.

Drill testing of the chargeability anomalies at Sirola has resulted in the intersection of multiple occurrences of visible gold which are interpreted to be multiple steeply dipping mineralised lodes.

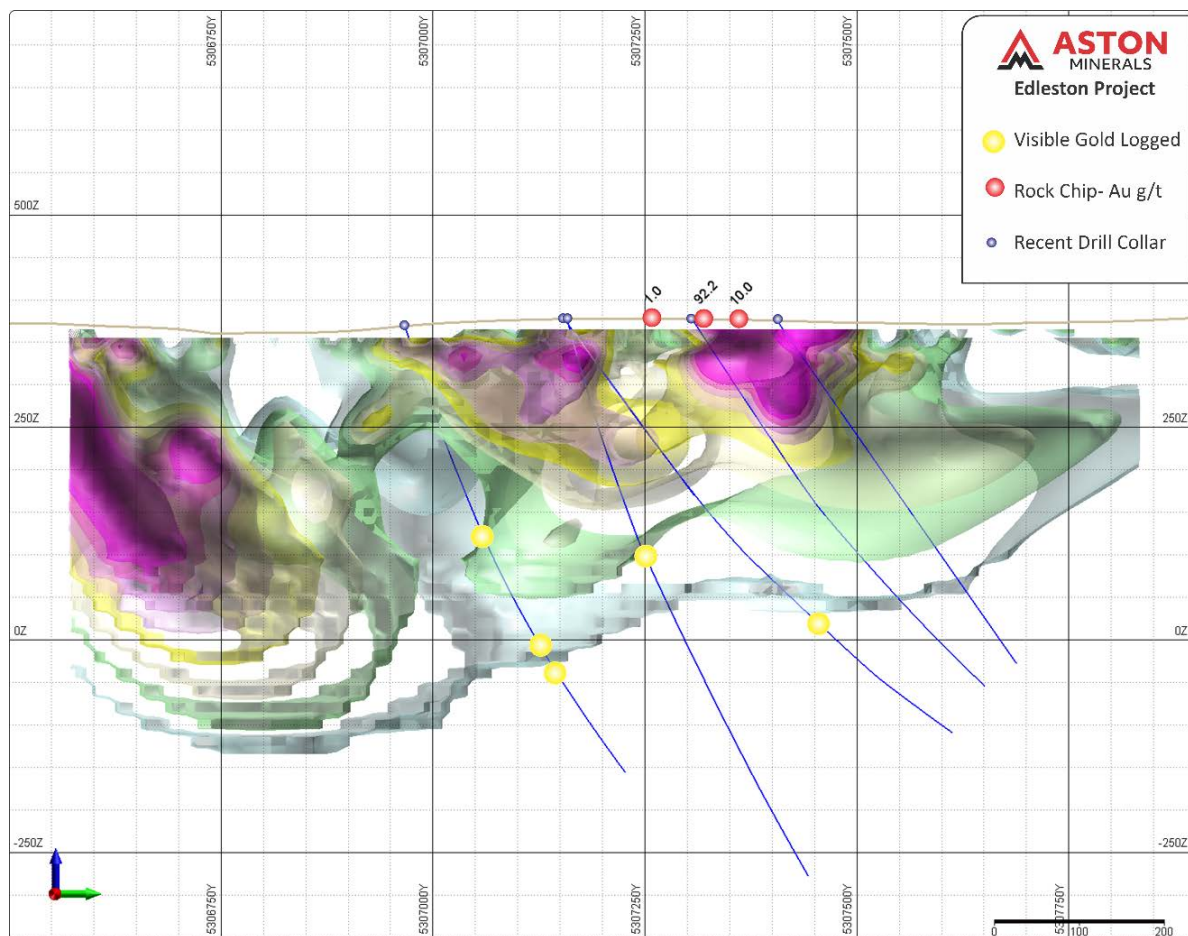


Figure 7: Sirola cross section - chargeability inversion model, recent drilling and rock chips

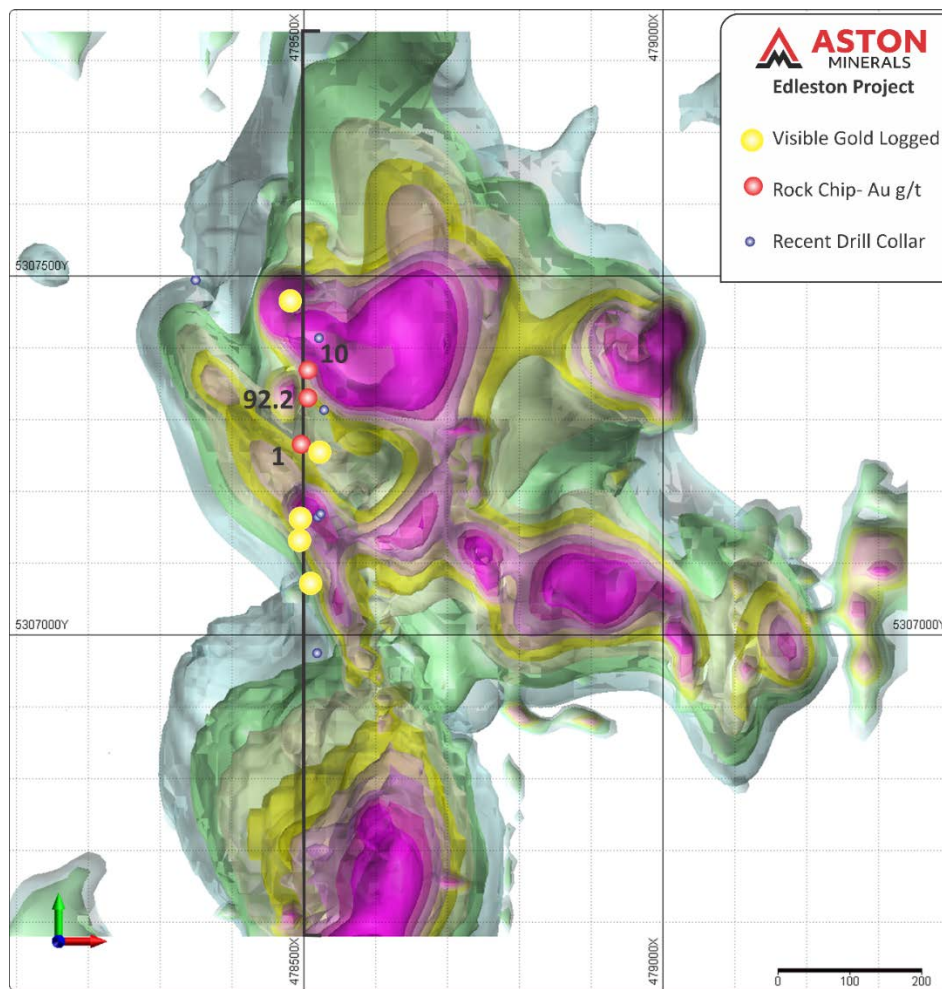


Figure 8: Sirola plan view- 3D chargeability inversion model, visible gold intersection projected to surface and surface rock chip samples



Figure 9: Logged visible gold within quartz-carbonate veining associated with arsenopyrite



Figure 10: Logged visible gold within carbonate vein associated with pyrite



Figure 11: Visible gold within laminated quartz vein, host basalt contains locally 8% pervasive fine grain and blebby pyrrhotite

Extensive mineralised intervals uncovered from previous drilling

A thorough process of validating the original database provided against original paper logs, assay certificates, previous public disclosures by 55 North Mining Inc (formerly SGX Resources) and information provided by previous geologists working on site at Edleston was undertaken. During the last drilling program completed on site, a number of holes were not imported into the database or lacked sufficient verification information to be reported.

At the point in time at which SGX received the results, all technical staff and directors had left the company. As such the results were not reported to market by SGX.

Significant intervals from this review so far include:

- 255.4m at 2.54g/t Au from 75m
 - Including: 2m at 224.14g/t Au from 198m
- 116.1m at 2.59g/t Au from 196.1m
 - Including 1m at 90g/t Au from 220m
 - Including 4m at 31.07g/t Au from 305m
- 284m at 0.82g/t Au from 96m (EOH in mineralisation)
 - Including 76m at 1.44g/t Au from 96m
 - Including 11m at 3.74g/t Au from 229m
- 300m at 0.69g/t Au from 74m
- 143.8m at 0.71g/t Au from 37.2m (EOH in mineralisation)
- 121.7m at 0.89g/t Au from 252m
- 24m at 0.83g/t Au from 152m (EOH in mineralisation)
- 36.5m at 0.72g/t Au from 367.5m

Significant intervals from this review included:

- SL-12-136: 255.4m at 2.54g/t Au from 75m
 - Including: 2m at 224.14g/t Au from 198m
- SL-12-115: 116.1m at 2.59g/t Au from 196.1m
 - Including 1m at 90g/t Au from 220m
 - Including 4m at 31.07g/t Au from 305m
- SL-12-139: 284m at 0.82g/t Au from 96m (EOH in mineralisation)
 - Including 76m at 1.44g/t Au from 96m
 - Including 11m at 3.74g/t Au from 229m
- SL-12-140: 300m at 0.69g/t Au from 74m
- SL-12-142: 143.8m at 0.71g/t Au from 37.2m (EOH in mineralisation)

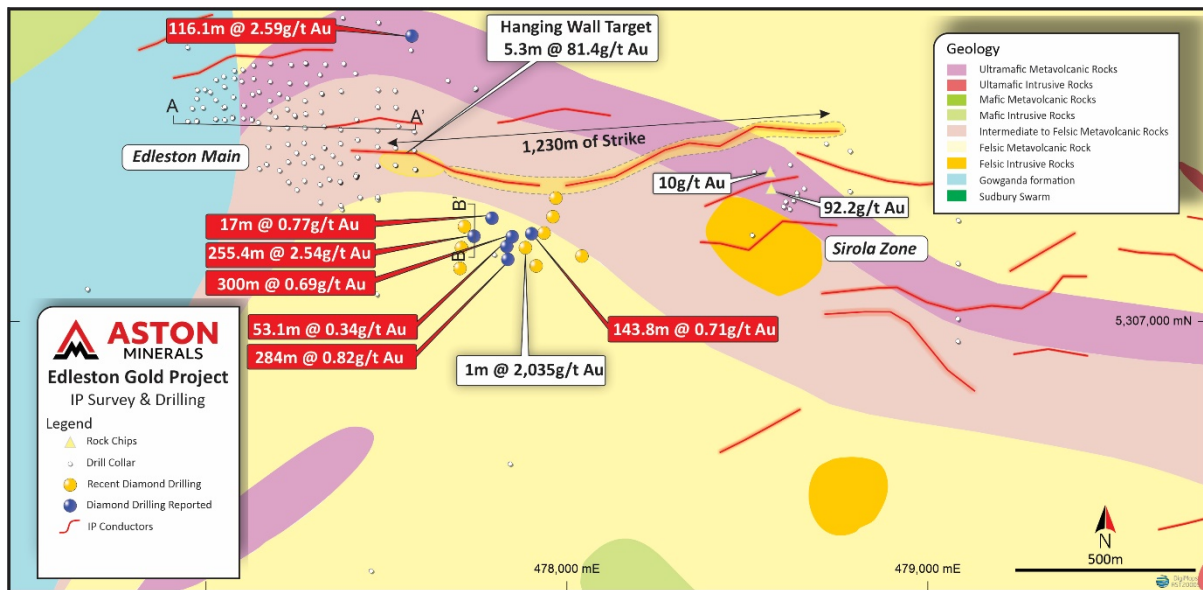


Figure 12: Drill Collar Plan, IP Chargeability Anomalies and Underlying Geology

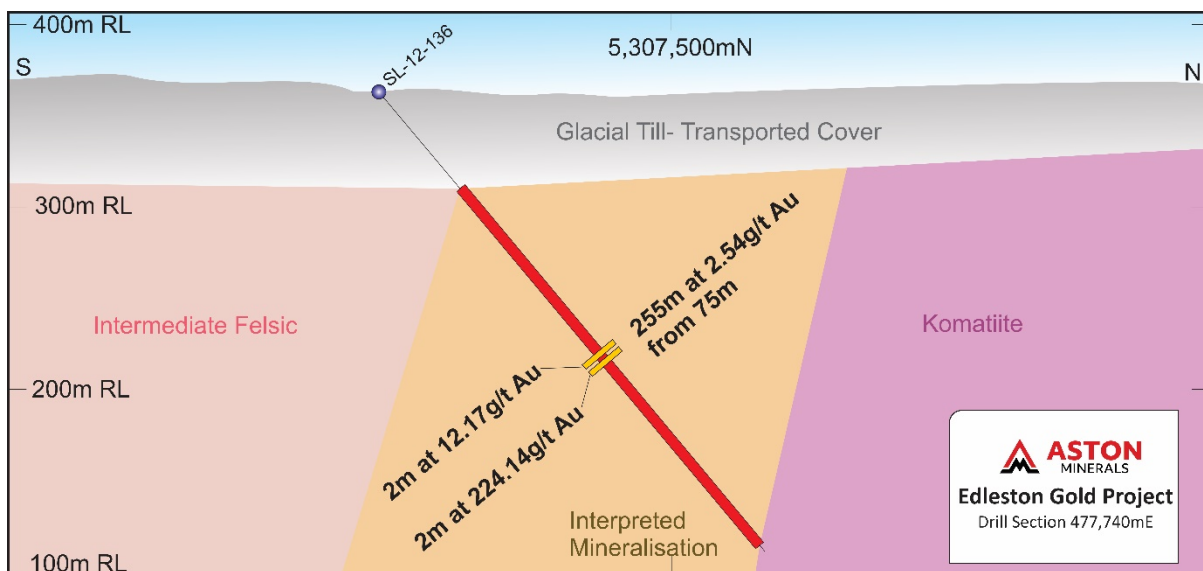


Figure 13: Drill section B-B' 477,740mE

Nickel Mineralisation Identified at Edleston

Semi massive, blebby, and disseminated styles of nickel sulphide mineralisation have been intersected in drilling at the Boomerang Target within the Edleston Project.

In a regional context, the Abitibi Greenstone Belt spanning across Ontario through to Quebec has an extensive history of nickel exploration and production from ultramafic associated nickel-copper-platinum group deposits. Edleston has undergone two phases of nickel exploration in the 1960's and 1970's with limited subsequent exploration undertaken in relation to nickel.

A revised geological interpretation based on the information obtained from recent drilling and reprocessed magnetics coverage was undertaken. Through this process the extent and intense magnetic response of the Boomerang Target was recognised. Magnetic inversion modelling of the Boomerang Target was undertaken to further constrain the geometry and extent of the dunite/peridotite complex. It is interpreted that this dunite/peridotite body extends for a strike of 5km, is 500 to >1,500m wide and extends to depths of well over 500m.

The exploration model applied to conduct targeting of this body is analagous to Dumont and Crawford Nickel-PGE-Cobalt Deposits. Nickel sulphide mineralisation at these deposits was formed through the serpentinisation of a dunite unit (rock composed of >90% olivine). Through the reaction of olivine with water, extensive magnetite is developed hence providing such a strong magnetic response and potentially allowing for a direct exploration targeting method to be applied. Through this process of serpentinisation, nickel is liberated from olvine within a strongly reducing environment and the liberated nickel is partitioned into low sulphur nickel sulphide minerals.

Current drilling at the Boomerang Target has intersected nickel sulphide mineralisation hosted in a peridoite/dunite complex. Hole DDED21-059 is projected to 700 m and is currently at 213 m with nickel sulphides observed in four sections so far. Mineralisation consists of semi-massive pyrrhotite-pentlandite-chalcopyrite as well as disseminated to blebby pyrrhotite-pentlandite.

Mineralisation logged suggests possibility of a Mt Keith-style Ni-Cu sulphide model with disseminated and blebby sulphides in an olivine adcumulate to mesocumulate flow.

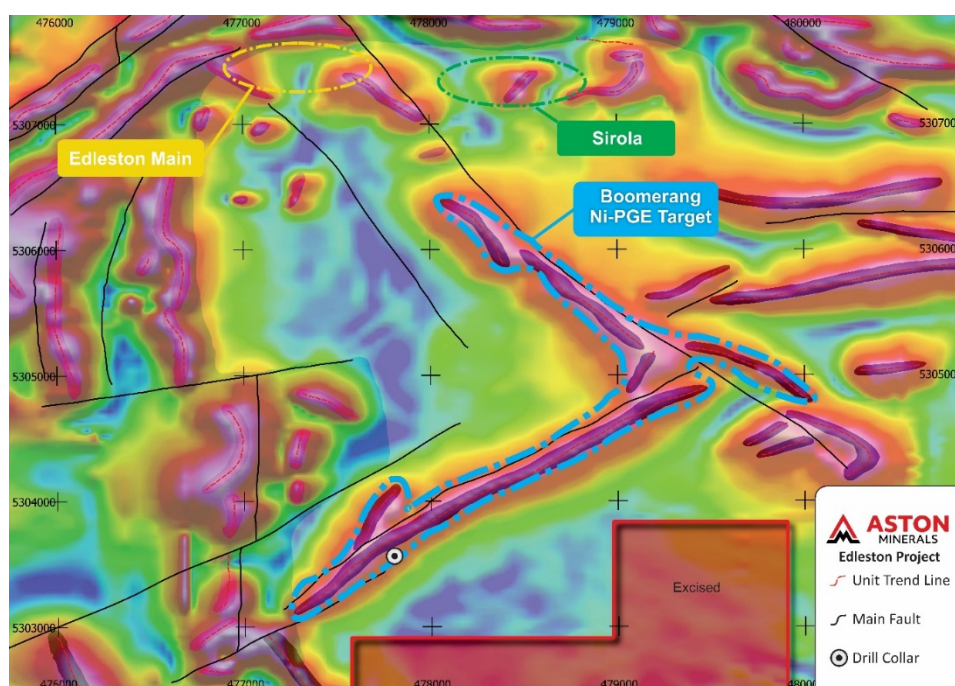


Figure 14: TMI Magnetics, Interpreted Geology and Nickel Drill Collar Location



Figure 15: Magnetic Inversion Model- Plan View of Boomerang Target & Recent Drilling



Figure 16: DDED21-059: semi-massive (pyrrhotite-pentlandite-chalcopyrite) within fine grained sheared peridotite at contact with rhyolitic tuff at 54.5m (dry core)

The proposed plan is to continue to drill at locations along the Boomerang Target which is interpreted to be an ultramafic intrusive suite composed of peridotite/ dunite that stretches approximately 3 km NE and further 3 km NW towards the Edleston/Sirola zones.



Figure 17: DDED21-059: blebby (pyrrhotite-pentlandite) 5% within fine grained peridotite at 86m



Figure 18: DDED21-059: Coarsely disseminated sulphide (pyrrhotite-pentlandite) 5% within medium grained peridotite from 180.5m

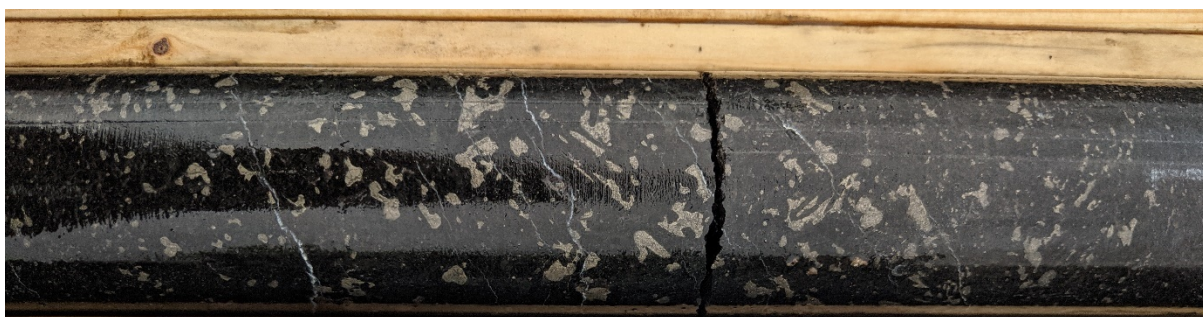


Figure 19: DDED21-059: Coarse blebby (pyrrhotite-pentlandite) 8% within peridotite from 233.5m



Figure 20: DDED21-059: Fine disseminated to medium grained blebby (pyrrhotite-pentlandite) 5% within peridotite from 256m

Slovak Cobalt-Nickel-Copper Portfolio

With the sustained subdued cobalt market and concerns regarding the safety of contractors and stakeholders, all non-essential work is being deferred indefinitely at the Dobsina Cobalt Project. The Company will continue to incur expenditure to ensure tenure remains in good standing for the foreseeable future. Work during the quarter was limited to desktop evaluation of existing geochemical and geophysical datasets in order to define targets warranting field based exploration to be undertaken.

Jouhineva Cobalt-Copper Gold Project, Finland

A minimum expenditure drilling campaign is proposed to be undertaken as a requirement of retaining the Project. Due to the current COVID-19 pandemic, it is currently envisaged that this program will be undertaken when deemed safe to do so. Any such program will be completed under the proviso that it meets all relevant Finnish government legislation and World Health Organisation guidance. Further updates will be provided to the market around the program and its respective timing upon finalisation of the work program.

Swedish Cobalt ± Copper ± Nickel ± Gold Project Portfolio

The Company entered into an exclusive option agreement on 10 December 2019 to divest two of its Swedish licences, Ekedal and Ruda.

An evaluation of the Company's Swedish assets Frustuana, Havsmon and Kila Project was undertaken and the decision was made to relinquish these. A review of the remaining asset, Basinge, is underway to determine the merit of retaining the project, and if so, appropriate work programs to progress development.

Defiance & Mt Howe Gold Projects, Western Australia

No exploration was completed across Defiance and Mt Howe Projects during the year. At renewal, the decision was made to lapse the Defiance and Mt Howe Projects.

Competent Person's Statement

The information in this announcement that relates to the Exploration Results for Edleston Project is based on information compiled and fairly represented by Mr Robert Jewson, who is a Member of the Australian Institute of Geoscientists and Executive Director of Aston Minerals Limited. Mr Jewson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Jewson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears and confirms there have been no changes that would materially effect the results since they were first released to the market.

Corporate Governance

Aston Minerals Limited's Corporate Governance Statement for FY2021 is available on the Company's website.

Financial Statements

FY2021

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

Your Directors present their report on Aston Minerals Limited ("the Company") and its controlled entities (together referred to as "the Group") for the financial year ended 30 June 2021.

Directors

The names of the Directors of the Company in office during the financial year and up to the date of this report are:

- Tolga Kumova (Executive Chairman)
- Dale Ginn (Managing Director)
- Robert Jewson (Executive Director)

Tolga Kumova transitioned from Non-Executive Chairman to Executive Chairman effective 1 April 2021. Dale Ginn transitioned from Non-Executive Director to Managing Director on 9 November 2020. Robert Jewson transitioned from the role of Managing Director to Executive Director on 9 November 2020. All directors have been in office since the start of the financial year to the date of this report.

Company Secretary

Oonagh Malone was appointed Company Secretary on 3 July 2019.

Principal Activities

The principal activities of the Group during the year were the acquisition, exploration and evaluation of resource based projects.

Operating Results

Loss after income tax for the financial year was \$25,902,234 (2020: \$1,615,073).

Financial Position

The net assets of the Group at 30 June 2021 are \$12,590,583 (2020: \$9,425,158). The Group's working capital, being current assets less current liabilities, is \$12,542,297 at 30 June 2021 (2020: \$9,382,451).

Dividends Paid or Recommended

No dividends were paid during the year and no recommendation is made as to dividends.

Significant Changes in State of Affairs

Other than those disclosed in this annual report, no significant changes in the state of affairs of the Group occurred during the financial year.

Review of Operations

During the year, the Company completed the acquisition of the Edleston Gold Project and adjacent mineral exploration interests and commenced extensive exploration on this project, while deferring non-essential work on the Dobsina Project (Co-Ni-Cu-Ag) in Slovakia.

DIRECTORS' REPORT

Information on Directors

Tolga Kumova

Executive Chairman (appointed 29 May 2017)

Mr Kumova is a resource industry investor, entrepreneur and corporate finance specialist with over 15 years' experience in stockbroking, IPOs, corporate restructuring and asset identification. Throughout his career, Mr Kumova has raised in excess of \$500 million for ASX listed mining ventures associated with a variety of projects from early stage exploration through to construction and operations. Mr Kumova is an experienced ASX-listed company director having previously acted as Managing Director of Syrah Resources Limited (ASX: SYR) and Corporate Director of New Century Resources Limited.

Interest in shares and options

105,657,022 Fully Paid Ordinary Shares

7,333,334 Class A performance shares

7,333,334 Class B performance shares

30,000,000 Options exercisable at \$0.20 each on or before 28 March 2025

Current directorships in other Australian listed entities:

African Gold Ltd (from February 2018)

Former directorships held in other Australian listed entities in the past three years:

New Century Resources Limited (resigned July 2019)

Copper Strike Limited (resigned November 2020)

Robert Jewson

Executive Director (appointed 29 May 2017)

Mr Jewson is a geologist with 11 years of experience from junior to major mining and exploration companies throughout a variety of jurisdictions and commodities. He has conducted both corporate and technical roles within the mining and exploration sectors inclusive of due diligence, business development, exploration management, acquisitions/divestment and corporate structuring. Throughout his career, Mr Jewson has identified, acquired and transacted on numerous resource projects globally.

Interest in shares and options

73,901,489 Fully Paid Ordinary Shares

6,086,667 Class A performance shares

6,086,667 Class B performance shares

30,000,000 Options exercisable at \$0.20 each on or before 28 March 2025

Current directorships in other Australian listed entities:

None

Former directorships held in other Australian listed entities in the past three years:

None

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

Dale Ginn

Managing Director (appointed 1 April 2020)

Mr Ginn is an experienced mining executive and geologist of over 30 years based in central Canada. He is the founder of numerous exploration and mining companies and has led and participated in a variety of gold and base metal discoveries, many of which have entered production. Mr Ginn has led or was part of the discovery teams for the Gladiator, Hinge, 007, 777, Trout Lake, Photo, Edleston and Tartan Lake deposits and received the Quebec Discovery of the Year Golden Hammer award in 2018 for the Gladiator high grade gold deposit. His contributions have led to approximately 10 million ounces in resource generation as well as over \$500 million in capital raised for exploration and development projects. His experience has included both senior and junior companies such as Goldcorp, Harmony Gold, Hudbay, Westmin, San Gold, Bonterra, Gatling Exploration and others. While specialising in complex, structurally controlled gold deposits, he also has extensive mine-operations, development and start-up experience. In addition to operations experience, Mr. Ginn has most recently been extremely active as a partner with RSD Capital of Vancouver in founding and creating startup exploration companies such as Pacton Gold, and successful spinoffs like Gatling Exploration. Dale is a registered professional Geologist (P.Geo.) in the provinces of Ontario and Manitoba.

Interest in shares and options

25,000,000 Options exercisable at \$0.10 each on or before 22 December 2023

25,000,000 Options exercisable at \$0.15 each on or before 22 December 2023

30,000,000 Options exercisable at \$0.20 each on or before 28 March 2025

Current directorships in other Australian listed entities:

Raiden Resources Limited (from May 2021)

Former directorships held in other Australian listed entities in the past three years:

None

COMPANY SECRETARY

Oonagh Malone (appointed 3 July 2019)

Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 10 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed African Gold Ltd, Benz Mining Corp, Caprice Resources Limited, Carbine Resources Limited, Hawkstone Mining Limited, RareX Limited and Riversgold Limited. She is non-executive director of Peak Minerals Limited.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Aston Minerals Ltd and for the executives receiving the highest remuneration.

1. Employment Agreements

Mr Robert Jewson is appointed with a 2 year fixed term to 9 November 2022, with an option to extend the term by mutual agreement. Until 8 November 2020, Mr Jewson's annual salary was \$168,000 plus superannuation, with a 3 month period required for termination without cause. From 9 November 2020 until 31 March 2021, Mr Jewson's annual salary was \$120,000 plus superannuation, with a 6 month period required for termination without cause. From 1 April 2021, Mr Jewson's annual salary was \$180,000 plus

DIRECTORS' REPORT

superannuation with a 6 month period required for termination without cause. Mr Jewson is also eligible to participate in any short-term or long-term incentive plan that the Company may introduce, subject to the rules of any such plan.

Mr Dale Ginn was appointed Managing Director on 9 November 2020 with a 2 year fixed term to 9 November 2022, with an option to extend the term by mutual agreement. Until 8 November 2020, Mr Ginn's annual salary was \$168,000 plus superannuation, with a 3 month period required for termination without cause. From 9 November 2020, Mr Ginn's annual salary was \$220,000 plus superannuation with a 6 month period required for termination without cause. Mr Ginn is also eligible to participate in any short-term or long-term incentive plan that the Company may introduce, subject to the rules of any such plan.

Until 31 March 2021, Mr Kumova's annual remuneration was \$168,000, inclusive of superannuation, with a 3 month period required for termination without cause. From 1 April 2021, Mr Kumova's annual salary was \$140,000, inclusive of superannuation, with a 6 month period required for termination without cause. Mr Kumova is also eligible to participate in any short-term or long-term incentive plan that the Company may introduce, subject to the rules of any such plan.

Appointments of any non-executive directors are formalised in the form of service agreements between themselves and the Company. Their engagements have no fixed term but cease on their resignation or removal as a director in accordance with the Corporations Act.

2. Remuneration policy

The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board;
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and are entitled to the issue of share options. The remuneration committee reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth for the five years to 30 June 2021.

	2021	2020	2019	2018	2017
Loss after income tax attributable to shareholders (\$)	(25,902,234)	(1,615,073)	(6,897,188)	(4,116,880)	(19,801,271)
Share price at Year end (\$)	0.155	0.040	0.018	0.062	0.089
Movement in share price for the year (\$)	0.115	0.022	(0.044)	(0.027)	0.024
Total dividends declared (\$)	-	-	-	-	-
Returns of capital	-	-	-	-	-
Basic loss per share (cents)	(3.04)	(0.21)	(0.91)	(0.58)	(8.09)

DIRECTORS' REPORT

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Company's shareholders' value. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

Any executive director, who is an Australian resident for tax purposes, receives a superannuation guarantee contribution required by the government, which was 9.5% during the year. No other retirement benefits are paid.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Any share based payments are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

3. Options issued as part of remuneration for the year ended 30 June 2021

On 9 June 2021, shareholders approved the current Employee Securities Incentive Plan to permit the issue of equity instruments to employees and similar parties without separate shareholder approval.

Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

On 29 March 2021, the Company advised that it would seek shareholder approval to issue 30,000,000 share options to each director with an exercise price of \$0.20 and an expiry date of 28 March 2025. This approval was received on 9 June 2021 and these options were issued on 18 June 2021 and vested immediately with a value of \$0.15035 per option. These represents a value of \$4,510,500 per director for a total expense recognized of \$13,531,500 for these options. The value of these options was so high because they were approved by shareholders on 9 June 2021 when the share price closed at \$0.19 (\$0.135 at 29 March 2021), which is only 5% less than the exercise price of \$0.20, and these options have been valued based on the one year historic volatility to 9 June 2021 of 130%.

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

4. Details of remuneration for the year ended 30 June 2021:

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

2021	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payments		Total	Performance Related	% of Options as Remuneration
Key Management Person	Cash, salary & commissions	Superannuation	Other	Equity	Options			
	\$	\$	\$	\$	\$	\$	%	%
Directors								
Tolga Kumova	66,500	-	-	-	4,510,500	4,577,000	-	98.5%
Dale Ginn	160,664	-	-	-	5,628,750	5,789,414	-	96.2%
Robert Jewson	163,315*	15,515*	-	-	4,510,500	4,689,330	-	97.2%
	390,479	15,515	-	-	14,649,750	15,055,744	-	97.3%

* Includes annual leave provision movement of \$10,615 for salary and \$1,009 for superannuation.

2020	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payments		Total	Performance Related	% of Options as Remuneration
Key Management Person	Cash, salary & commissions	Superannuation	Other	Equity	Options			
	\$	\$	\$	\$	\$	\$	%	%
Directors								
Tolga Kumova	55,500	-	-	-	-	55,500	-	-
Robert Jewson	218,000*	20,710*	-	-	-	238,710	-	-
Dale Ginn	10,500	-	-	-	-	10,500	-	-
Eddie King	45,000	-	-	-	-	45,000	-	-
Don Carroll	45,000	-	-	-	-	45,000	-	-
	374,000	20,710	-	-	-	394,710	-	-

* Includes annual leave provision movement of \$2,000 for salary and \$190 for superannuation.

DIRECTORS' REPORT

5. Equity holdings of KMP

Ordinary Shares

Number of ordinary shares held by KMP during the financial year ended 30 June 2021 was as follows:

30 June 2021	Balance at beginning of year/ appointment	Purchased during the year	Options exercised	Net change other	Balance at end of year / resignation
Directors					
Tolga Kumova	75,657,022	-	30,000,000	-	105,657,022
Dale Ginn	-	-	-	-	-
Robert Jewson	53,901,489	-	20,000,000	-	73,901,489
	<u>129,558,511</u>	<u>-</u>	<u>50,000,000</u>	<u>-</u>	<u>179,558,511</u>
30 June 2020	Balance at beginning of year/ appointment	Purchased during the year	Options exercised	Net change other	Balance at end of year / resignation
Directors					
Robert Jewson	53,901,489	-	-	-	53,901,489
Tolga Kumova	75,657,022	-	-	-	75,657,022
Dale Ginn	-	-	-	-	-
Eddie King	-	-	-	-	-
Don Carroll	-	-	-	-	-
	<u>129,558,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,558,511</u>

Option holdings

Number of options held by KMP during the financial year ended 30 June 2021 was as follows:

30 June 2021	Balance at beginning of year/ appointment	Granted as remuneration	Options purchased/ exercised/ expired	Net change other	Balance at end of year / resignation
Directors					
Tolga Kumova	30,000,000	30,000,000	(30,000,000)	-	30,000,000
Dale Ginn	-	80,000,000	-	-	80,000,000
Robert Jewson	30,000,000	30,000,000	(30,000,000)	-	30,000,000
	<u>60,000,000</u>	<u>140,000,000</u>	<u>(60,000,000)</u>	<u>-</u>	<u>140,000,000</u>

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

30 June 2020	Balance at beginning of year/ appointment	Granted as remuneration	Options purchased/ exercised/ expired	Net change other	Balance at end of year / resignation
Directors					
Robert Jewson	30,000,000	-	-	-	30,000,000
Tolga Kumova	30,000,000	-	-	-	30,000,000
Dale Ginn	-	-	-	-	-
Eddie King	-	-	-	-	-
Don Carroll	-	-	-	-	-
	<u>60,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000,000</u>

Performance Shares

Number of performance shares held by KMP during the financial year ended 30 June 2021 was as follows:

30 June 2021	Balance at beginning of year/ appointment	Net change other	Balance at end of year
Directors			
Tolga Kumova	14,666,668	-	14,666,668
Dale Ginn	-	-	-
Robert Jewson	12,173,334	-	12,173,334
	<u>26,840,002</u>	<u>-</u>	<u>26,840,002</u>

30 June 2020	Balance at beginning of year/ appointment	Net change other	Balance at end of year
Directors			
Robert Jewson	12,173,334	-	12,173,334
Tolga Kumova	14,666,668	-	14,666,668
Eddie King	-	-	-
Don Carroll	-	-	-
	<u>26,840,002</u>	<u>-</u>	<u>26,840,002</u>

DIRECTORS' REPORT

6. Other KMP transactions

The Company incurred no other transactions with related parties.

End of Remuneration Report (Audited)**After Balance Date Events**

On 1 July 2021 the Company:

- Issued 4,500,000 performance rights expiring 1 July 2024, unless the performance rights lapse under the terms of the Employee Securities Incentive Plan. These performance shares convert into one share each, at the participant's election, on achievement of the following vesting conditions:
 - 1,500,000 vest on a 5 day VWAP of \$0.20 and 12 months service.
 - 1,500,000 vest on a 5 day VWAP of \$0.25 and 18 months service.
 - 1,500,000 vest on a 5 day VWAP of \$0.30 and 24 months service.
- Issued 2,000,000 share options expiring 28 March 2025 with an exercise price of \$0.20 per option. These options were issued to an external consultant, with no enforceable commitment for the issue of these options effective at 30 June 2021. These options were not issued in respect of any services performed before 1 July 2021.

On 12 July 2021 the Company announced the acquisition of a further 140km² of land contiguous with the Edleston Project, extending the total land area of the project to 263km².

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Meetings of Directors

In addition to signing 8 circular resolutions of the Board, 3 formal meetings of directors were held during the financial year. Attendances by each director during the period were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Robert Jewson	3	3
Tolga Kumova	3	3
Dale Ginn	3	3

Environmental Issues

The Company is not aware of any breaches in relation to environmental matters.

DIRECTORS' REPORT

Options

At 30 June 2021, the unissued ordinary shares of the Company under option are as follows:

Date of Expiry	Exercise Price	Number under Option
22 December 2023	\$0.10	25,000,000
22 December 2023	\$0.15	25,000,000
28 March 2025	\$0.20	90,000,000

During the year ended 30 June 2021, 82,500,000 shares of the Company were issued on the exercise of options. 10,000,000 options lapsed on expiry on 26 May 2021 without being exercised. No other share options were exercised, expired or lapsed during the year. No shares have been issued as a result of the exercise of options since year end.

Performance Shares

At 30 June 2021, the Company has 73,333,334 (2020: 73,333,334) performance shares on issue. The performance shares vest on the achievement of specified performance conditions (refer to Note 14).

Proceedings on Behalf of Company

No person has applied for leave of Court 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 a party to any such proceedings during the year.

Indemnifying of Officers

During the year, the Company paid premiums in respect of a contract insuring all the directors and officers of the Company against liabilities, past, present and future.

In accordance with normal commercial practice, the disclosure of the total amount of premiums under and the nature of the liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support, and adhere to, good corporate governance practices. Refer to the Company's Corporate Governance Statement at www.astonminerals.com.

Non-Audit Services

There were no fees paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2021.

DIRECTORS' REPORT

Auditor's Declaration of Independence

The auditor's independence declaration for the year ended 30 June 2021 has been received and is included within the financial statements.

Signed in accordance with a resolution of Directors.



Tolga Kumova
Chairman
30 September 2021

To the Board of Directors

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

As lead audit partner for the audit of the financial statements Aston Minerals Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully



HALL CHADWICK WA AUDIT PTY LTD



DOUG BELL CA
Partner

Dated at Perth this 30th September 2021

ASTON MINERALS LIMITED & CONTROLLED ENTITIES
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue	2	36,392	151,320
Other income	3	726,336	61,480
Loss on disposal of property, plant and equipment		-	(8,795)
Administration expenses		(342,752)	(572,672)
Corporate compliance expenses		(235,983)	(185,055)
Share-based payments	14	(14,649,750)	-
Employee benefits and consulting expense		(405,494)	(458,473)
Exploration expenditure and acquisition costs	4	(11,030,983)	(602,878)
Loss from continuing operations before income tax benefit		(25,902,234)	(1,615,073)
Income tax expense	5	-	-
Loss from continuing operations after income tax benefit		(25,902,234)	(1,615,073)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		(130,549)	(49,427)
Total comprehensive loss		(26,032,783)	(1,664,500)
Loss attributable to:			
Members of the parent entity		(25,902,234)	(1,615,073)
Non-controlling interest		-	-
		(25,902,234)	(1,615,073)
Total comprehensive loss attributable to:			
Members of the parent entity		(26,032,783)	(1,664,500)
Non-controlling interest		-	-
		(26,032,783)	(1,664,500)
Basic and diluted loss per share (cents)	6	(3.04)	(0.21)

The accompanying notes form part of these financial statements.

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	13,430,346	9,474,837
Trade and other receivables	8	29,768	26,659
Financial assets	9	858,553	-
Other assets	10	42,314	34,364
Total Current Assets		14,360,981	9,535,860
Non-Current Assets			
Plant and equipment	11	18,423	42,707
Financial assets	9	29,863	-
Total Non-Current Assets		48,286	42,707
Total Assets		14,409,267	9,578,567
LIABILITIES			
Current Liabilities			
Trade and other payables	12	1,761,070	107,419
Provisions		57,614	45,990
Total Current Liabilities		1,818,684	153,409
Total Liabilities		1,818,684	153,409
Net Assets		12,590,583	9,425,158
EQUITY			
Issued capital	13	111,750,217	97,201,759
Reserves	14	23,126,433	8,607,232
Accumulated losses		(122,280,282)	(96,378,048)
Non-controlling interest		(5,785)	(5,785)
Total Equity		12,590,583	9,425,158

The accompanying notes form part of these financial statements.

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Issued Capital \$	Foreign translation reserve \$	Share based payment reserve \$	Accumulated Losses \$	Non-controlling interest \$	Total \$
Balance at 1 July 2019	97,201,759	95,668	8,560,991	(94,762,975)	(5,785)	11,089,658
Loss for the period	-	-	-	(1,615,073)	-	(1,615,073)
Other Comprehensive Income	-	(49,427)	-	-	-	(49,427)
Total Comprehensive Income	-	(49,427)	-	(1,615,073)	-	(1,664,500)
Shares issued during the year	-	-	-	-	-	-
Options issued during the year	-	-	-	-	-	-
Balance at 30 June 2020	97,201,759	46,241	8,560,991	(96,378,048)	(5,785)	9,425,158
Balance at 1 July 2020	97,201,759	46,241	8,560,991	(96,378,048)	(5,785)	9,425,158
Loss for the period	-	-	-	(25,902,234)	-	(25,902,234)
Other Comprehensive Income	-	(130,549)	-	-	-	(130,549)
Total Comprehensive Income	-	(130,549)	-	(25,902,234)	-	(26,032,783)
Shares issued during the year	14,570,004	-	-	-	-	14,570,004
Capital raising costs	(21,546)	-	-	-	-	(21,546)
Options issued during the year	-	-	14,649,750	-	-	14,649,750
Balance at 30 June 2021	111,750,217	(84,308)	23,210,741	(122,280,282)	(5,785)	12,590,583

The accompanying notes form part of these financial statements.

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

		2021	2020
		\$	\$
	Note	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Interest received		48,339	161,791
Other income		39,173	30,333
Payments to suppliers and employees		(806,385)	(1,442,111)
Exploration and evaluation expenditure		(4,348,305)	(731,799)
Net cash (used in) operating activities	17(a)	(5,067,178)	(1,981,786)
Cash flows from investing activities			
Payments for plant and equipment		-	-
Payments for financial instruments		(300,837)	-
Proceeds on disposal of financial instruments		60,489	-
Proceeds from disposal of plant and equipment		-	23,274
Option fees received for tenements		39,210	31,147
Net cash provided by/ (used in) investing activities		(201,138)	54,421
Cash flows from financing activities			
Proceeds from issue of shares and options		9,250,004	-
Capital raising costs		(21,546)	-
Net cash provided by financing activities		9,228,458	-
Net increase in cash held		3,960,142	(1,927,365)
Cash at beginning of the financial period		9,474,837	11,397,289
Exchange differences on cash and cash equivalents		(4,633)	4,913
Cash and cash equivalents at period end	7	13,430,346	9,474,837

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Statement of Significant Accounting Policies

These consolidated financial statements and notes represent those of Aston Minerals Limited (the “Company”) and controlled entities (the “Group”). Aston Minerals Limited is a listed public company, incorporated and domiciled in Australia. The financial statements were authorised for issue on 30 September 2021 by the Directors of the Company.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars unless otherwise stated.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Incomes and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 'Financial Instruments' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

b) Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

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

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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

c) Plant and Equipment

Items of plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20 - 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d) Leases

Assets and liabilities are recognised for all leases with a term of more than 12 months unless the underlying asset is of low value or the lease is not for any specific identifiable asset.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Lease liabilities are valued at the net present value of the expected stream of committed lease payments. Lease payments are recognised as an interest expense to the extent that they represent interest on the outstanding lease liability. The Company currently has no leased assets or lease liability as the serviced office agreement does not specify or require fixed office locations, with staff offices moved at the discretion of the lessor, and the Company has no other agreements for the lease of identifiable assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

e) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring tenements, are expensed as incurred.

Expensing exploration and evaluation expenditure as incurred is irrespective of whether or not the Board believe expenditure could be recouped from either a successful development and commercial exploitation or sale of the respective assets.

f) Financial Instruments

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and are solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income. Financial assets may be impaired based on an expected credit loss model to recognise an allowance. Such impairment is measured with a 12-month expected credit loss model unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime expected credit loss model is adopted

For financial liabilities, the portion of the change in fair value that relates to the Group's credit risk is presented in other comprehensive income.

Hedge accounting requirements align the accounting treatment with the Group's risk management activities. The Group does not currently have any impaired financial assets, financial liabilities with changes in fair value due to credit risk presented in other comprehensive income, or financial instruments requiring hedge accounting.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g) Impairment of Assets

At the end of each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associate or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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. Impairment testing is performed annually for intangible assets with indefinite lives. 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.

h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12 month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black – Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

l) Borrowing Costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense in the period in which they are incurred.

m) Goods and Services Tax (GST)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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.

n) Fair Value of Assets and Liabilities

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

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

o) Revenue Recognition

Revenue from the sale of goods and disposal of other assets is recognised when the Group has satisfied the performance obligation in relevant contracts by transfer of the promised asset to a customer with the customer obtaining control of the asset.

Other revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest method.

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

p) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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.

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Share-based payment transactions

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

Option valuations using Binomial or Black-Scholes models are highly sensitive to the exercise price in proportion to the share price at the grant date, and to the estimated volatility. Both lots of options granted during the year were valued using the 1 year historic volatilities, as calculated from daily percentage movements in quoted share prices. These volatilities were used, instead of longer-term historic volatilities, based on judgements about the changing volatility of the share price, particularly due to the suspension of trading from 20 September 2019 to 13 November 2019. Expected volatilities as high as 120% and 130% are considered reasonable because of the stage of the current focus of the Group's activities in conjunction with the nature of the exploration findings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Recognition of income

An option fee of \$39,210 (€25,000) (2020: \$31,147 (€20,000)) was received during the year for the potential divestment of Swedish mineral exploration interests. These option fees, included in note 3, have been recognised in other income. These option fees are treated as consideration for performance obligations satisfied at a point in time because the customer gained access to the sites from the payment date, and because the relative scale of the potential final exercise price of \$6,329,114 (€2,000,000 per option for two options) dwarfs the option fees to an extent that the option fees are reasonably not considered partial consideration for the mineral exploration interests. These option fees have not been recognised as revenue because granting of options over mineral exploration interests is not in the course of the Group's ordinary activities.

q) New accounting standards for application in the current period

New, revised or amending Accounting Standards and Interpretations adopted

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

The adoption of the new *Conceptual Framework for Financial Reporting* from 1 July 2020 has not led to any changes in accounting or disclosure for the Group, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The adoption of the new definition of Material included in *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material* from 1 July 2020 provides a new definition of material, which now extends materiality consideration to obscurity and clarifies that materiality now depends on the nature or magnitude of information.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021.

The Directors have reviewed all of the new and revised Standards and interpretations in issue not yet adopted that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2021. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on issue and not yet adopted by the Group and therefore no material change is necessary to Group accounting policies.

ASTON MINERALS LIMITED & CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Revenue	2021 \$	2020 \$
Interest received	36,392	151,320
Other revenue	-	-
	<u>36,392</u>	<u>151,320</u>
3. Other income		
Option fees received for potential disposal of tenements	39,210	31,147
Government grants and rebates	39,173	30,333
Gain in the value of listed investments	647,953	-
	<u>726,336</u>	<u>61,480</u>
4. Exploration expenditure and acquisition costs		
Option fees for Edleston Gold Project	-	(153,206)
Shares issued for the acquisition of the Edleston Gold Project (see note 13(b))	(5,145,000)	-
Shares issued for the acquisition of additional ground at the Edleston Gold Project (see note 13(b))	(175,000)	-
Payment for acquisition of the Edleston Gold Project (\$CAD650,000)	(684,645)	-
Exploration expenditure and due diligence costs	<u>(5,026,338)</u>	<u>(449,672)</u>
	<u>(11,030,983)</u>	<u>(602,878)</u>

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5. Income tax benefit	2021	2020
	\$	\$
Net loss before tax	(25,902,234)	(1,615,073)
Income tax benefit on above at 30%	(7,770,670)	(484,522)
Increase/(decrease) in income tax due to the tax effect of:		
Different tax rates applicable to foreign subsidiaries	372,277	-
Non-deductible expenses	6,107,829	197,303
Current year tax losses not recognised	1,465,885	361,746
Movement in unrecognised temporary differences	(133,250)	(54,429)
Deductible equity raising costs	(42,071)	(20,098)
Income tax reported in the statement of comprehensive income	-	-
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following:		
Tax revenue losses	2,997,714	1,591,453
Deductible temporary differences	181,935	68,270
Unrealised capital gains	(194,386)	-
Tax capital losses	4,500	4,500
	2,989,763	1,664,223

Unrecognised deferred tax balances are based on the best available information, but are uncertain because of variations in foreign tax treatment and tax treatment of potential capital losses on foreign assets. Estimated tax losses are Australian tax revenue losses of \$5,360,543 (\$4,574,084 per 2020 Australian lodged tax returns) and Canadian tax revenue losses of \$4,631,837, with accumulated Australian capital losses of \$15,000 (2020: \$15,000). Unrecognised deferred tax balances do not include losses of European or Indonesian subsidiaries because these may be unavailable when required.

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- The Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- The Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- No changes in tax legislation adversely affect the Group realising the benefit from the deduction of the losses.

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6. Earnings per share	2021 Cents per Share	2020 Cents per Share
Basic/diluted loss per share	(3.04)	(0.21)

The loss and weighted average number of ordinary shares used in this calculation of basic/diluted loss per share are as follows:

	2021 \$	2020 \$
Loss from continuing operations	(25,902,234)	(1,615,073)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic/ diluted loss per share	853,334,329	761,697,329

7. Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank and on hand	9,430,346	2,374,837
Short term deposits	4,000,000	7,100,000
	<u>13,430,346</u>	<u>9,474,837</u>

Short term deposits are held at bank, mature within 3 months and can be withdrawn on shorter terms with forfeiture of accrued interest.

8. Trade and other receivables

Current		
GST / VAT receivable	28,822	12,893
Interest receivable	946	13,766
	<u>29,768</u>	<u>26,659</u>

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9 Financial Assets

(a) Current financial Assets

	2021 \$	2020 \$
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Shares in a listed company

Balance at start of period	-	-
Acquisition of shares in a Canadian listed company	210,600	-
Increase in value of shares during the period	647,953	-
Balance at end of period	<u>858,553</u>	-

During the year the Group acquired 4,000,000 shares in an unrelated Canadian listed company for a holding of under 5% of that company. These shares were acquired for \$CAD0.05 or \$AUD0.05265 per share for a total cost of \$210,600. At 30 June 2021, these shares were valued at \$CAD0.20 or \$AUD0.2146 per share for a total value of \$858,553. The increase in value of these shares over the year of \$647,953 has been recognised in the balance of other income. These shares are a tier 1 financial instrument because they are valued based on quoted prices on a securities exchange.

(b) Non-current financial Assets

Security bonds

Balance at start of period	-	-
Acquisition of tenement security bonds	90,237	-
Disposal of security bonds	(60,489)	-
Foreign exchange movement	115	-
Balance at end of period	<u>29,863</u>	-

During the year the Group paid Swedish tenement security bonds of SEK (Swedish Krona) 568,495 or \$90,237, then was refunded SEK376,921 or \$AUD60,489 of these bonds. At 30 June 2021, these tenement security bonds were valued at SEK191,574 or \$AUD29,863. These security bonds are a tier 1 financial instrument because they are valued in foreign currency.

There have been no transfers between measurement levels during the period and there are currently no other financial instruments in any other measurement levels.

10. Other assets

Current		
Prepayments	<u>42,314</u>	<u>34,364</u>

ASTON MINERALS LIMITED & CONTROLLED ENTITIES
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
11. Plant and equipment

2021 **20120**
\$ **\$**

Plant and Equipment

At Cost	99,999	103,419
Accumulated Depreciation	(81,576)	(60,712)
	<u>18,423</u>	<u>42,707</u>

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period:

Plant and Equipment

Opening balance	42,707	100,036
Additions	-	-
Disposals	-	(32,069)
Foreign exchange revaluation	(1,193)	1,385
Depreciation	(23,091)	(26,645)
Closing balance	<u>18,423</u>	<u>42,707</u>

12. Trade and other payables
Current

Trade payables and accruals	<u>1,761,070</u>	<u>107,419</u>
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13. Issued capital
(a) Issued and paid up capital

Ordinary shares fully paid of no par value	<u>111,750,217</u>	<u>97,201,759</u>
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(b) Movement in ordinary shares on issue

	2021	2021	2020	2020
	Number	\$	Number	\$
Balance at beginning of period	761,697,329	97,201,759	761,697,329	97,201,759
Issue of 100 ordinary shares at \$0.04 per share under a cleansing prospectus	100	4	-	-
Issue of 105,000,000 ordinary shares at a deemed value of \$0.049 per share for acquisition of the Edleston Gold Project and associated tenements	105,000,000	5,145,000	-	-
Issue of 5m shares @ \$0.035 for consideration for acquisition of land adjacent to Edleston project	5,000,000	175,000	-	-
62,500,000 10c options exercised for 62,500,000 ordinary shares.	62,500,000	6,250,000	-	-
20,000,000 15c options exercised for 20,000,000 ordinary shares	20,000,000	3,000,000	-	-
Capital raising costs	-	(21,546)	-	-
Balance at end of period	<u>954,197,429</u>	<u>111,750,217</u>	<u>761,697,329</u>	<u>97,201,759</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Issued capital (continued)**(c) Terms and conditions of contributed equity**

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

(d) Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

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

The net working capital position of the Company at 30 June 2021 was \$12,542,297 (2020: \$9,382,451) and the net increase in cash and term deposits held during the year was \$3,955,509 (2020: decrease of \$1,922,452).

(e) Share Options

At 30 June 2021, the Company has the following share options on issue:

- 25,000,000 options exercisable at \$0.10 on or before 22 December 2023. These options were issued to director Dale Ginn on 22 December 2020 after shareholder approval on 30 November 2020.
- 25,000,000 options exercisable at \$0.15 on or before 22 December 2023. These options were issued to director Dale Ginn on 22 December 2020 after shareholder approval on 30 November 2020.
- 90,000,000 options exercisable at \$0.20 on or before 28 March 2025. 30,000,000 of these options were issued to each director on 18 June 2021 following shareholder approval on 9 June 2021.

These share options have been valued at total values of \$596,000, \$522,250, and \$13,531,500 respectively using the Black-Scholes formula, the below parameters, and nil expected dividend yield.

Grant date	Expiry date	Exercise Price	Number of Options	Share price at grant date	Volatility	Interest rate	Value per Option
30-Nov-20	22-Dec-23	\$0.10	25,000,000	\$0.042	120%	0.12%	\$0.02384
30-Nov-20	22-Dec-23	\$0.15	25,000,000	\$0.042	120%	0.12%	\$0.02089
9-Jun-21	28-Mar-25	\$0.20	90,000,000	\$0.190	130%	0.40%	\$0.15035

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
13. Issued capital (continued)

These options had a weighted average remaining term at the end of the year of 3.29 years and a weighted average exercise price of \$0.173. Option valuations are particularly sensitive to exercise prices as a proportion of the share price at grant date and volatility. Volatilities for share options granted during 2021 were all based on the 12 month historic volatilities calculated from daily movements in share prices.

These volatilities were used, instead of longer-term historic volatilities, based on judgements about the changing volatility of the share price, particularly due to the suspension of trading from 20 September 2019 to 13 November 2019. Expected volatilities as high as 120% and 130% are considered reasonable because of the stage of the current focus of the Group's activities in conjunction with the nature of the exploration findings. Increasing or decreasing the volatility used for the valuation of the options granted 30 November 2020 by 10% to 130% or 110% increases or decreases the total value of these options from \$1,118,250 by \$130,500 or \$121,500 respectively to \$1,239,750 or \$987,750 respectively.

Increasing or decreasing the volatility used for the valuation of the options granted 9 June 2021 by 10% to 140% or 120% increases or decreases the total value of these options from \$13,531,500 by \$569,700 or \$644,400 respectively to \$14,101,200 or \$12,887,100 respectively.

Options carry no rights to dividends and have no voting rights.

The following options were exercised during 2021:

- 30,000,000 options exercisable at \$0.10 on or before 26 May 2021; and
- 20,000,000 options exercisable at \$0.15 on or before 26 May 2021.

These options had a weighted average exercise price of \$0.12.

The following options lapsed without being exercised during 2021:

- 10,000,000 options exercisable at \$0.15 on or before 26 May 2021.

These options had a weighted average exercise price of \$0.15.

14. Reserves

	2021	2021
	\$	\$
Foreign currency translation	(84,308)	46,241
Share based payment reserve	23,210,741	8,560,991
	<u>23,126,433</u>	<u>8,607,232</u>

Share based payment reserve

Reserve at the beginning of the year	8,560,991	8,560,991
Granting of options to Dale Ginn on 30 November 2020	1,118,250	-
Granting of options to Dale Ginn on 9 June 2021	4,510,500	-
Granting of options to Robert Jewson on 9 June 2021	4,510,500	-
Granting of options to Tolga Kumova on 9 June 2021	4,510,500	-
Total amount recognised as an expense	<u>14,649,750</u>	-
Reserve at end of year	<u>23,210,741</u>	<u>8,560,991</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

14. Reserves (continued)

The share-based payment reserve arises on the grant of share options to directors as part of their remuneration and to consultants for services provided, as well as for funds raised for the issue of options and the fair value of performance shares issued as consideration for acquisitions. The total amount recognised for share-based payments to directors for 2021 of \$14,649,750 (2020: nil) has been recognised as an expense.

There were no share-based payments or equity instruments issued for share based payment during 2020, The total expense arising from share-based payments (ordinary shares, performance shares and options) during 2020 was nil.

The issue of 105,000,000 ordinary shares at a deemed value of \$0.049 per share for a total value of \$5,145,000 for the acquisition of the Edleston Gold Project, and the issue of 5,000,000 shares at a deemed value of \$0.035 per share for a total value of \$175,000 for the acquisition of land adjacent to Edleston project, both meet the definition of share-based payments. These are recognised as exploration expenses with credits to issued capital as disclosed in notes 4 and 13(b) respectively.

Performance shares issued in 2017

On 26 May 2017, the Company issued 73,333,334 performance shares which will each convert to one ordinary Share upon completion of the following milestones within 5 years:

- Performance Milestone 1: 36,666,667 fully paid ordinary shares upon the delineation of an Inferred Mineral Resource reported in accordance with the JORC Code of at least 500,000 metric tons at a minimum grade of 0.5% cobalt equivalence (reported in accordance with clause 50 of the JORC Code) or 50,000 metric tons of production from the Tenement of cobalt bearing an ore grading of at least 0.5% cobalt equivalence (reported in accordance with clause 50 of the JORC Code).
- Performance Milestone 2: 36,666,667 fully paid ordinary shares upon the delineation of an Inferred Mineral Resource reported in accordance with the JORC Code of at least 1,000,000 metric tons at a minimum grade of 0.5% cobalt equivalence (reported in accordance with clause 50 of the JORC Code) or 100,000 metric tons of production from the Tenement of cobalt bearing an ore grading of at least 0.5% cobalt equivalence (reported in accordance with clause 50 of the JORC Code).

The Performance Shares also convert on sale of a majority interest in the Company's tenements or on a change of control of the Company (subject to a cap of 10% of fully diluted issued capital).

No consideration will be payable upon the vesting of the Performance Shares.

Based on the above, the performance share valuations were calculated as follows:

Class	No. of Shares	Grant Date	Lapse Date	Fair Value	Probability	Total Value
A	36,666,667	22 May 2017	26 May 2022	\$0.048	45%	\$792,000
B	36,666,667	22 May 2017	26 May 2022	\$0.048	45%	\$792,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
14. Reserves (continued)

Fair value was determined with reference to the prevailing share price at the grant date. The directors assessed probabilities of achieving performance milestones and eventually converting as at the date of acquisition. This estimate has not been revised because of the nature of the acquisition transaction. These performance shares have not yet converted. No performance shares were exercised, issued, granted, vested, expensed over a vesting period, cancelled, expired or lapsed during the year or prior year.

	2021	2020
	\$	\$
Foreign currency translation reserve		
Reserve at the beginning of the year	46,241	95,668
Exchange differences arising on translating foreign operations	(130,549)	(49,427)
Reserve at end of year	<u>(84,308)</u>	<u>46,241</u>

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

15. Auditor's remuneration

Amounts, received or due and receivable by the auditor for:

- an audit or review services	<u>25,932</u>	<u>29,489</u>
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16. Key Management Personnel (KMP) and Related Party Transactions**(a) Key Management Personnel**

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's KMP for the financial year ended 30 June 2020. The totals of remuneration paid to KMP of the Company during the year are as follows:

Short term	390,479	374,000
Post-employment	15,515	20,710
Share based payments	14,649,750	-
	<u>15,055,744</u>	<u>394,710</u>

(b) Other transactions

The Company did not enter into any other transactions with related parties during the financial year ended 30 June 2021.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
17. Cash Flow Information

	2021 \$	2020 \$
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(25,902,234)	(1,615,073)
Non cash flows in loss:		
Depreciation	23,091	26,645
Share based payments	14,649,750	-
Shares issued for acquisition of mineral exploration interests	5,320,000	-
Exchange differences	(124,838)	(55,725)
Loss on disposal of plant and equipment	-	8,795
Option fee received for disposal of tenements	(39,210)	(31,147)
Changes in assets and liabilities:		
- decrease in trade and other receivables	(3,109)	45,430
- (increase)/ decrease in current financial assets	(647,953)	-
- (increase)/ decrease in other assets	(7,950)	(6,802)
- (decrease) in trade and other payables	1,653,651	(356,099)
- increase in provisions	11,624	2,190
	<u>(5,067,178)</u>	<u>(1,981,786)</u>

(b) Non Cash Investing & Financing Activities

There were no non-cash investing or financing activities during the year.

18. Contingent liabilities and contingent assets

The Company is required to pay certain vendors a 2% net smelter royalty on the proceeds of any minerals sold from the Dobsina tenement. In the opinion of the Directors, the Company has no other contingent liabilities or assets as at 30 June 2021.

19. Financial reporting by segments

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Board as a whole regularly review the identified segments in order to allocate resources to the segments and to assess their performance.

The Group operates predominately in one industry, being mineral exploration. The main geographic areas that the entity operates in are Australia, Indonesia, Europe, and Canada. The parent entity is registered in Australia. The Group's exploration assets to 30 June 2021 are held in Australia, Canada and Europe.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
19. Financial reporting by segments (continued)

The following tables present revenue, expenditure and certain asset and liability information regarding geographical segments for the years ended 30 June 2021 and 2020. These reports are based on the locations of entities in the Group that prepare reports for management. Although the Australian parent entity had other income related to European operations and expenditures related to both European and Canadian operations during 2020, these expenditures were all born by the parent entity and included with the parent entity's accounting records and reports prepared for management. All liabilities of the Canadian segment are included with the Australian segment because these liabilities were all recognised, paid and processed by the parent entity to 30 June 2021. The Indonesian segment is disclosed separately, despite being effectively dormant, because it involves separate entities with separate accounting systems.

Geographical information

	Australia \$	Canada \$	Indonesia \$	Europe \$	Total
Year ended 30 June 2021					
Revenue					
Interest income	36,392	-	-	-	36,392
Other income	726,336	-	-	-	726,336
Segment income	<u>762,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,726</u>
Other information					
Share-based payments	(14,649,750)	-	-	-	(14,649,750)
Exploration expenditure and acquisition costs	<u>(44,442)</u>	<u>(10,620,519)</u>	<u>(35)</u>	<u>(365,987)</u>	<u>(11,030,983)</u>
Result					
Loss before tax	(14,898,730)	(10,636,482)	(35)	(366,987)	(25,902,234)
Income tax expense	-	-	-	-	-
Loss for the year	<u>(14,898,730)</u>	<u>(10,636,482)</u>	<u>(35)</u>	<u>(366,987)</u>	<u>(25,902,234)</u>
Asset and liabilities					
Segment assets	14,264,408	-	367	144,492	14,409,267
Segment liabilities	<u>(1,788,856)</u>	<u>-</u>	<u>(7)</u>	<u>(29,821)</u>	<u>(1,818,684)</u>

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

19. Financial reporting by segments (continued)

	Australia \$	Canada \$	Indonesia \$	Europe \$	Total
Year ended 30 June 2020					
Revenue					
Interest income	151,320	-	-	-	151,320
Other income	61,480	-	-	-	61,480
Segment income	<u>212,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,800</u>
Other information					
Employee benefits and consulting expense	(458,473)	-	-	-	(458,473)
Exploration expenditure and acquisition costs	<u>(471,324)</u>	<u>-</u>	<u>(80)</u>	<u>(131,474)</u>	<u>(602,878)</u>
Result					
Loss before tax	(1,474,458)	-	(80)	(140,535)	(1,615,073)
Income tax expense	-	-	-	-	-
Loss for the year	<u>(1,474,458)</u>	<u>-</u>	<u>(80)</u>	<u>(140,535)</u>	<u>(1,615,073)</u>
Asset and liabilities					
Segment assets	9,500,607	-	449	77,511	9,578,567
Segment liabilities	(118,410)	-	(8)	(34,991)	(153,409)

20. Controlled Entities

	Country of Incorporation	Equity Holding 2021 %	Equity Holding 2020 %
Subsidiaries of Aston Minerals Limited:			
NiCo Minerals Pty Ltd	Australia	100	100
CE Metals s.r.o	Slovakia	100	100
PT. WMN Indonesia ¹	Indonesia	99.8	99.8
PT. Persada Bumi Rawas ¹	Indonesia	75	75
EUC Finland Pty Ltd	Australia	100	100
EUC Sweden Pty Ltd	Australia	100	100
EUC Austria Pty Ltd	Australia	100	100
Suomen Koboltti Oy	Finland	100	100
Euco Resources Sweden AB	Sweden	100	100
Canada Gold Pty Ltd ²	Australia	100	100
2771906 Ontario Inc ³	Canada	100	-

¹ Dormant subsidiaries

² This company was incorporated in June 2020 with all issued capital held by Aston Minerals Limited.

³ This company was incorporated in August 2020 with all issued capital held by Canada Gold Pty Ltd.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
21. Financial risk management
Overview

The Company has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

The totals of each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated	
		2021	2020
		\$	\$
Financial Assets			
Cash and cash equivalents	7	13,430,346	9,474,837
Trade and other receivables	8	29,768	-
Current financial assets	9	858,553	-
Non-current financial assets	9	29,863	26,659
Total Financial Assets		<u>14,348,530</u>	<u>9,501,496</u>
Financial Liabilities			
Trade and other payables	12	1,761,070	107,419
Total Financial Liabilities		<u>1,761,070</u>	<u>107,419</u>

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Trade and other receivables

As the Company is in the exploration and development phase, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

21. Financial risk management (continued)

Financial assets	2021	2020
	\$	\$
Cash and cash equivalents – held with major banks	9,430,346	2,374,837
Term deposits – held with major banks	4,000,000	7,100,000
Receivables – main counterparties are taxing authorities	29,768	26,659
Shares in listed company – no direct credit risk	858,553	-
Tenement security bond – held with Swedish government	29,863	-
	14,348,530	9,501,496

Liquidity risk

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

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to risks of foreign exchange rates, interest rates and equity prices moving.

Interest rate risk exposure and sensitivity analysis

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

2021	Floating Interest Rate \$	Fixed Interest Rate 1 Year or Less \$	Non-Interest Bearing \$	Total \$	Weighted Effective Interest Rate
Financial Assets					
Cash and cash equivalents	9,348,577	4,000,000	81,769	13,430,346	0.13%
Trade and other receivables	-	-	29,768	29,768	-
Current financial assets	-	-	858,553	858,553	-
Non-current financial assets	-	-	29,863	29,863	-
Total Financial Assets	9,348,577	4,000,000	999,953	14,348,530	0.12%

ASTON MINERALS LIMITED & CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

21. Financial risk management (continued)

	Floating Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total	Weighted Effective Interest Rate
2021					
Financial Liabilities					
Trade and other payables	-	-	(1,761,070)	(1,761,070)	-
Total Financial Liabilities	-	-	(1,761,070)	(1,761,070)	-
Net Financial Instruments	9,348,577	4,000,000	(761,117)	12,587,460	0.14%
2020					
	Floating Interest Rate \$	Fixed Interest Rate 1 Year or Less \$	Non-Interest Bearing \$	Total \$	Weighted Effective Interest Rate
Financial Assets					
Cash	2,349,568	7,100,000	25,269	9,474,837	0.6%
Trade and other receivables	-	-	26,659	26,659	-
Total Financial Assets	2,349,568	7,100,000	51,928	9,501,496	0.6%
Financial Liabilities					
Trade and other payables	-	-	(107,419)	(107,419)	-
Total Financial Liabilities	-	-	(107,419)	(107,419)	-
Net Financial Instruments	2,349,568	7,100,000	(55,491)	9,394,077	0.6%

As at 30 June 2021, if interest rates on interest bearing instruments had changed by +/-100 basis points from the weighted average rate at year end with all other variables held constant, post-tax loss for the Group would have been \$133,486 lower/higher (2020 - \$94,496 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

Foreign exchange rate risk exposure and sensitivity analysis

The Group is exposed to foreign exchange risk in relation to the acquisition of goods and services in Indonesian Rupiah (IDR), Canadian Dollar (CDR), Swedish Krona (SEK), and Euro (Euro). The Group does not hedge this exposure by using financial instruments. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	2021 \$	2020 \$
Financial Assets		
Cash and cash equivalents (Euro)	17,247	19,476
Cash and cash equivalents (SEK)	64,522	-
Cash and cash equivalents (IDR)	-	39
Trade and other receivables (IDR)	366	409
Trade and other receivables (Euro)	1,991	101,469

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
21. Financial risk management (continued)

	2021	2020
	\$	\$
Trade and other receivables (SEK)	5,014	-
Current financial assets (CAD)	858,553	-
Non-current financial assets (SEK)	29,863	-
Financial Liabilities		
Trade and other payables (CAD)	(1,333,536)	-
Trade and other payables (Euro)	(38,150)	(34,991)
Trade and other payables (IDR)	(7)	(8)

The following tables show the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the presentation currency.

	Net Financial Assets/(Liabilities) in \$AUD				
	CAD	Euro	IDR	SEK	Total
2021	(474,983)	(18,912)	359	99,398	(394,138)
2020	-	(15,082)	440	-	(14,642)

In respect of the above CAD, Euro, IDR and SEK foreign currency risk exposure in existence at the reporting date a sensitivity of 10% lower and 10% higher has been applied. With all other variables held constant, post tax loss and equity would have been affected as follows:

CAD: AUD \$47,498 loss; AUD \$47,498 gain (2020: nil)

Euro: AUD \$1,891 loss; AUD \$1,891 gain (2020: AUD \$1,508 loss; AUD \$1,508 gain)

IDR: AUD \$36 gain; AUD \$36 loss (20120: AUD \$44 gain; AUD \$44 loss)

SEK: AUD \$9,940 gain; AUD \$9,940 loss (2020: nil)

Fair value of financial instruments

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value. There are no financial assets or liabilities which are required to be measured at fair value on a recurring basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
22. Parent entity disclosures

Financial position	2021	2020
	\$	\$
Assets		
Current assets	14,264,408	9,500,608
Non-current assets	-	-
Total assets	14,264,409	9,500,608
Liabilities		
Current liabilities	1,788,856	118,410
Non-Current liabilities	-	-
Total liabilities	1,788,856	118,480
Equity		
Issued capital	111,750,217	97,201,759
Accumulated losses	(122,485,405)	(96,380,552)
Reserves	23,210,741	8,560,991
Total equity	12,475,553	9,382,198
Financial performance		
Profit/(loss) for the year	(26,104,853)	(1,472,110)
Total comprehensive income	(26,104,853)	(1,472,110)

Refer to Note 23 for commitments of the parent which are the same as the Group.

23. Commitments

In order to maintain current rights of tenure to tenements, the Group is required to perform minimum exploration requirements specified by various government authorities of \$86,499 (2020: \$30,000).

The Group now has a six month minimum period for terminating the Managing Director without cause and a six month minimum period for terminating the Corporate Director without cause. This creates an executive services commitment of \$219,000 (30 June 2020: \$45,990).

The Group has no other material commitments.

24. Events Subsequent to Period End**After Balance Date Events**

On 1 July 2021, the Company:

- Issued 4,500,000 performance rights expiring 1 July 2024, unless the performance rights lapse under the terms of the Employee Securities Incentive Plan. These performance shares convert into one share each, at the participant's election, on achievement of the following vesting conditions:
 - 1,500,000 vest on a 5 day VWAP of \$0.20 and 12 months service.
 - 1,500,000 vest on a 5 day VWAP of \$0.25 and 18 months service.
 - 1,500,000 vest on a 5 day VWAP of \$0.30 and 24 months service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

24. Events Subsequent to Period End (continued)

- Issued 2,000,000 share options expiring 28 March 2025 with an exercise price of \$0.20 per option. These options were issued to an external consultant, with no enforceable commitment for the issue of these options effective at 30 June 2021. These options were not issued in respect of any services performed before 1 July 2021.

On 12 July 2021, the Company announced the acquisition of a further 140km² of land contiguous with the Edleston Project, extending the total land area of the project to 263km².

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021**

The Directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Company's financial position as at 30 June 2021 and its performance for the year ended on that date; and
 - c) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
2. the Managing Director and Company Secretary have each declared that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view;
3. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Tolga Kumova

Chairman

30 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aston Minerals Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration Expenditure</p> <p>As disclosed in note 4 to the financial statements during the year the Consolidated Entity incurred exploration expenses of \$11,030,983. Exploration expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance to the Consolidated Entity's statement of profit or loss and other comprehensive income; and • The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programs planned for those tenements. • For a sample of tenements, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries; and • We tested exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6.
<p>Share-Based Payments</p> <p>As disclosed in note 14 to the financial statements during the year the company issued options to directors resulting in share-based payment expense of \$14,649,750.</p> <p>Share-based payments are considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the transactions to the Consolidated Entity's financial position and performance; • The level of judgement required in evaluating management's application of the requirements of AASB 2 <i>Share-based Payment</i> ("AASB 2"); 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Analysed contractual agreement to identify key terms and conditions of the share-based payments issued and relevant vesting conditions in accordance with AASB 2; • Evaluated management's valuation methods and assess the assumptions and inputs used; • Assessed the amount recognised during the period against relevant vesting conditions; and • Assessed the appropriateness of the disclosures included in the relevant notes

- Use of the Black-Scholes valuation model to determine the fair value of the options granted requires significant judgement in assessing the inputs utilised.

to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.



HALL CHADWICK WA AUDIT PTY LTD



DOUG BELL CA

Partner

Dated this 30th day of September 2021

ASX Additional Information

Shareholder Information

The following information is based on share registry information processed up to 27 October 2021.

Distribution of Fully Paid Ordinary Shares

The number of holders, by size of holding, for fully paid ordinary shares, including shares subject to voluntary escrow, in the Company is:

Spread of Holders	Number of Holders	Number of Shares
1 – 1,000	246	82,126
1,001 – 5,000	445	1,528,484
5,001 – 10,000	414	3,346,075
10,001 – 100,000	1,457	60,796,219
100,001 and over	752	888,444,525
Total	3,314	954,197,429

There are 524 holders of unmarketable parcels comprising a total of 841,385 ordinary shares amounting to 0.09% of issued capital.

Twenty Largest Holders of Quoted Shares (ungrouped)

	Shareholder	Number Held	%
1	HSBC Custody Nominees (Australia) Limited	108,007,187	11.32
2	Mr Robert Andrew Jewson	53,901,489	5.65
3	Bilgi Investments Pty Ltd	39,564,564	4.15
4	Sisu International Pty Ltd	32,842,458	3.44
5	Kitara Investments Pty Ltd <Kumova Family A/C>	30,000,000	3.14
6	Konkera Pty Ltd	28,000,000	2.93
7	A22 Pty Limited	27,891,000	2.92
8	Robert Jewson	20,000,000	2.10
9	Anglo Menda Pty Ltd	17,000,000	1.78
10	Aoustore Pty Ltd	16,000,000	1.68
11	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient DRP>	15,559,128	1.63
12	Spasevski Holdings Pty Ltd <Spasevski Holdings No 2 A/C>	15,187,718	1.59
13	Lake Springs Pty Ltd <The Lake Springs S/F A/C>	11,750,000	1.23
14	Citicorp Nominees Pty Limited	11,403,960	1.20
15	Maxmake Pty Ltd <Talisman S/F A/C>	11,000,000	1.15
16	Ponderosa Investments WA Pty Ltd <The Ponderosa Investment A/C>	9,455,624	0.99
17	Newton2 Pty Limited <Newton 2 Super Fund A/C>	8,000,000	0.84
18	Newton6 Pty Limited <The Newton Super Fund A/C>	7,000,000	0.73
19	Jamber Investments Pty Ltd <The Amber Schwarz Fam A/C>	7,000,000	0.73
20	Ablett Pty Ltd <David Edwards Family A/C>	6,985,714	0.73
Total		476,399,229	49.94

There are 954,197,429 ordinary fully paid shares currently listed on the Australian Securities Exchange held by 3,314 shareholders. There is no current on-market buy back taking place.

Unquoted Equity Securities

Class	Quantity	Number of Holders
Options exercisable at \$0.10 each on or before 22 December 2023	25,000,000	1
Options exercisable at \$0.15 each on or before 22 December 2023	25,000,000	1
Options exercisable at \$0.20 each on or before 28 March 2025	92,000,000	4
Class A Performance Rights vesting on delineation of an Inferred Mineral Resource of at least 500,000 metric tons at a minimum grade of 0.5% cobalt equivalence or 50,000 metric tons of production from the tenement of cobalt bearing an ore grading of at least 0.5% cobalt equivalence expiring 26 May 2022	36,666,667	12
Class B Performance Rights vesting on delineation of an Inferred Mineral Resource of at least 1,000,000 metric tons at a minimum grade of 0.5% cobalt equivalence or 100,000 metric tons of production from the tenement of cobalt bearing an ore grading of at least 0.5% cobalt equivalence expiring 26 May 2022	36,666,667	12
Performance rights vesting at \$0.20 and 12 months service expiring 1 July 2024	1,500,000	1
Performance rights vesting at \$0.25 and 18 months service expiring 1 July 2024	1,500,000	1
Performance rights vesting at \$0.30 and 24 months service expiring 1 July 2024	1,500,000	1

Holders of Unquoted Securities Holding More than 20% of Each Class

Class	Holder	Quantity
Options exercisable at \$0.10 each on or before 22 December 2023	Dale Ginn	25,000,000
Options exercisable at \$0.15 each on or before 22 December 2023	Dale Ginn	25,000,000
Options exercisable at \$0.20 each on or before 28 March 2025	Dale Ginn	30,000,000
	Robert Jewson	30,000,000
	Kitara Investments Pty Ltd	30,000,000
Class A Performance Rights	Kingslane Pty Ltd	7,333,334
	Mrs Eleanor Jane Reeves	7,333,334
Class B Performance Rights	Kingslane Pty Ltd	7,333,334
	Mrs Eleanor Jane Reeves	7,333,334
Performance rights vesting at \$0.20 and 12 months service expiring 1 July 2024	Malone Corporate Services Pty Ltd	1,500,000
Performance rights vesting at \$0.25 and 18 months service expiring 1 July 2024	Malone Corporate Services Pty Ltd	1,500,000
Performance rights vesting at \$0.30 and 24 months service expiring 1 July 2024	Malone Corporate Services Pty Ltd	1,500,000

Voting Rights - Fully Paid Ordinary Shares

Every 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.

Substantial Holders

The Company notes the following substantial shareholder notices have been given to the Company under the Corporations Act:

Substantial Shareholder	Number Held
Tolga Kumova	105,657,022
Robert Jewson	73,901,489

Company Secretary

Ms Oonagh Malone

Registered Office

Suite 23, 513 Hay Street, Subiaco, Western Australia Telephone: +61 8 6143 6740

Share Registry

Automatic Registry Services
126 Phillip Street, Sydney NSW 2000 Telephone: 1300 992 916

Schedule of Mining Tenements

Project	Country	Tenement	Status	% Held
Dobsina	Slovakia	2466/2017-5.3	Granted	100%
Rejdova	Slovakia	7007/2017-5.3	Granted	100%
Rakovec	Slovakia	7586/2017-5.3	Granted	100%
Gapel	Slovakia	7926/2017-5.3	Granted	100%
Kolba	Slovakia	4207/2017-5.3	Granted	100%
Kotlinec	Slovakia	4314/2018-5.3	Granted	100%
Medzev	Slovakia	4316/2018-5.3	Granted	100%
Fabianka	Slovakia	10240/20185.3	Granted	100%
Jouhineva	Finland	ML2017:0030	Granted	100%
Basinge	Sweden	Basinge nr 1	Granted	100%
Ekedalsgruvan	Sweden	Ekedalsgruvan nr 1	Granted	100%
Ruda	Sweden	Ruda nr 3	Granted	100%
Edleston	Ontario, Canada	100789-100792	Granted	100%
		104781-104782		
		104804-104807		
		105644		
		106128-106129		
		108337-108338		
		108729		
		109281-109282		
		109504		
		110872-110873		
		112030		
		113725		
		114516		
		114773		
		115253		
		117629		
		119426		
		119947		
		121839-121840		
		122129		

Project	Country	Tenement	Status	% Held
		122322		
		122685		
		122943		
		126743		
		126917		
		126919		
		127324-127325		
		127916		
		127939		
		129302		
		132923-132924		
		134141		
		134194-134195		
		134430		
		137622		
		138031		
		138790-138792		
		139409		
		139772-139773		
		140781		
		140802		
		140818		
		144094-144095		
		149584-149585		
		150138		
		150615		
		156624		
		154452-154453		
		155112		
		156203-156204		
		15778		
		158101-158102		
		158432		
		159246		
		160394-160395		
		162229		
		165041-165042		
		166388-166389		
		167299		
		168680		
		172435		
		172717		
		172850		
		173713		
		173982		
		174596-174598		
		174845-174846		
		175938		
		176398		
		178150		
		178899-178900		
		179374		
		179406		
		181092		
		182322		
		186332		
		188934		
		190057		
		190279-190281		
		190763		
		191291-191292		

Project	Country	Tenement	Status	% Held
		191393		
		191424		
		191936		
		194367		
		197660		
		197703		
		198493		
		198694		
		198909		
		201508		
		201510		
		201512-201513		
		202907-202908		
		203240-203241		
		204027		
		204480		
		205241		
		206185		
		208438		
		209563		
		209572-209573		
		210073		
		211263		
		211746		
		214431		
		215123		
		215407		
		216455		
		216897		
		216987		
		219882		
		221639		
		221642		
		222520-222522		
		222540		
		224085		
		227352		
		227464		
		228124		
		228555		
		228670-228671		
		228918		
		228920		
		230015		
		230539		
		230740		
		233160		
		233974		
		234046		
		235000		
		239445		
		233974		
		234046		
		235000		
		239445		
		240408		
		240594		
		240706		
		240798		
		240967-240968		
		241015		

Project	Country	Tenement	Status	% Held
		241336-241338		
		242664		
		243981		
		245856		
		245940-245941		
		246936		
		247502		
		248133-248136		
		248452		
		248465		
		248564		
		248987		
		249066-249067		
		249500		
		251403		
		251981		
		252346-252347		
		255039		
		256688		
		258479		
		258787		
		260029		
		260456		
		260475-260476		
		261638		
		261945		
		264177		
		265154		
		267721-267722		
		271066		
		271239-271240		
		271653-271654		
		273834		
		280848-280849		
		281136-281137		
		281959		
		281997		
		285869		
		286626-286627		
		287879		
		288103		
		288210		
		288605		
		289227		
		290047		
		290063		
		290156		
		291071-291072		
		293612		
		293982		
		293983		
		294096		
		294952		
		295239		
		295855		
		296115		
		297194		
		299460		
		300620		
		302189		
		302491		

Project	Country	Tenement	Status	% Held
Edleston Extension	Ontario, Canada	304326	Granted	100%
		306078-306081		
		306773		
		307740		
		307846-307847		
		307979-307980		
		309399		
		309747-309748		
		312043-312044		
		312046		
		313845		
		314589-314591		
		315038		
		315416		
		315433		
		316459		
		316460-316461		
		319396		
		324763-324765		
		326614		
		327126		
		327360		
		328400-328401		
		330742-330743		
		331883-331884		
		332871		
		333389		
		335880		
		336237		
		336975		
		339757-339758		
		340811		
		342665		
		343128		
		344470-344471		
		344984-344985		
		582951-582952		
		594594 – 594642		
		594663 - 595083		
		641082 – 641101		
		642377 – 642503		
		642568 – 642598		
		592768 – 593035		