ABN 96 649 477 734

Annual Report - 30 June 2023

Osmond Resources Limited
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Corporate Directory
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Directors	Mr Rhoderick Grivas – Non-Executive Chair Mr Andrew Shearer – Executive Director and CEO Mr Daniel Eddington – Non-Executive Director
Company secretary	Mr Adrien Wing
Registered office and Principal place of business	Level 2 480 Collins Street Melbourne VIC 3000 Phone: +61 9614 0600
Share register	Automic Proprietary Limited Level 5 126 Phillip Street Sydney NSW 2000 Phone: 1300 288 664
Auditor	RSM Australia Partners Level 21 55 Collins Street Melbourne VIC 3000
Solicitors	Steinepreis Paganin Level 4 50 Market Street Melbourne VIC 3000
Bankers	National Australia Bank 800 Bourke Street Melbourne VIC 3000
Stock exchange listing	Osmond Resources Limited shares are listed on the Australian Securities Exchange (ASX code: OSM)
Website	www.osmondresources.com.au

KEY MILESTONES

Salt Wells lithium-borate Project, Nevada, USA

- **Osmond entered into a Deed of Assignment and Assumption Agreement to assume earn-in rights to acquire the Salt Wells lithium-borate Project located in Nevada, U.S.A.**
- **Previous geophysics (MT), surface sampling and drilling have highlighted that Salt Wells is prospective for lithium brine targets.**
- **Input from local experts on geology, hydrogeology, environmental and drilling has been invaluable in defining and fast tracking an exploration program.**
- **Salt Wells Project has an attractive profile being located close to the town of Reno, infrastructure and potential customers.**
- **Osmond aims to rapidly design an exploration program to define drilling targets in 2H CY2023.**

South Australian Projects

- **Interpretation of existing geophysical, geological and drilling data over South Australian projects identified emerging targets, targeting base and precious metals.**
- **At the Yumbarra Project, reprocessing and interpretation of historical geophysical data identified multiple prospective AEM conductors in the core of the layered ultramafic intrusive, targeting nickel.**
- **Positive meetings held with the Far West Coast Aboriginal Corporation (FWCAC) to discuss planned gravity surveys over the Yumbarra and Fowler Projects.**
- **Approval to undertake helicopter supported geophysical (gravity) surveys received for both the Fowler Domain Project and Yumbarra Projects.**
- **Finalisation of logistics to undertake the surveys is well advanced.**

Sandford Project, western Victoria

- **Soil sampling results reported zinc-lead-copper-barium-sulphur and TREO anomalism, with peak values >1000ppm TREO correlating with trachytic lava flows.**
- **Zone of anomalous Rare Earth Elements across an approximately 18km x 4km area.**
- **Ground based geophysics (magnetics and gravity) surveys completed targeting base metals anomalism in soils.**
- **Base metals anomalism in soils associated with magnetic anomaly undercover within NW-SE regional structure zone suggests potential SEDEX style target.**

Corporate

- **Osmond raised approximately $1.93 million (before costs) completed in July 2023, by way of a non-renounceable rights issue and shortfall allocation, primarily to fund exploration of the Salt Wells Project.**
- **The Company has cash reserves as at 30 June 2023 of $4.156m.**

REPORT OF ACTIVITIES

Salt Wells Lithium-Borate Project, USA

In a significant move, in May 2023 it was announced that Osmond had entered into a Deed of Assignment and Assumption (**Agreement**) with 5E Advanced Materials, Inc. (Nasdaq: FEAM) (ASX: 5EA) (**5E**) to assume 5E's exclusive earn-in rights to earn-in and acquire the Salt Wells lithium-borate Project (the **Salt Wells Project** or the **Project**) located Nevada U.S. (see Figures 1 and 2) (**Acquisition**). (See ASX Announcement 22 May 2023.)

Following the announcement the Company completed a successful site visit to the Salt Wells Project, during which it was able to identify the existence of previously undiscovered geophysical data (Magnetotellurics (**MT**) surveys) and drilling information. (See ASX Announcement 13 June 2023.)

The entry into the Salt Wells Project marks an exciting new venture for Osmond as it provides a low upfront cost entry into the USA lithium sector. The ability to leverage the previous exploration to accelerate Osmond's exploration provides a significant cost saving and also accelerates the time frame involved.

Background

The Salt Wells Project is located in Churchill County, Nevada, USA, within close proximity to major highways and within 25 kilometres of the town of Fallon that has a population of over 8,500 people. The Project consists of 276 mineral claims, covering an area of ~36km^2 with surface salt samples in the northern area recording up to 810ppm lithium, and 1% boron (5.2% boric acid equivalent) (see ASX:ABR Release 25 May 2018, *"American Pacific Borate and Lithium agrees earn in rights to acquire 100% interest in two Borate and Lithium exploration Projects in Nevada, USA"*)[1]. Historically borates were produced at Salt Wells from surface salts in the 1800's from the northern part of the Project area.

The Project lies in what is believed to be an internally drained, fault bounded basin, covering an area of around 110 square kilometres, which appears similar to Clayton Valley, Nevada, where lithium is currently produced by Albemarle Corporation. With the exception of recent surface salt sampling from the northern area, and reconnaissance Magnetotellurics (MT) surveys limited modern exploration has been completed. The Project is prospective for lithium and borates in the sediments (salt horizon) and lithium and boron brines within the structures of the basin.

Currently, the Project is subject to an earn-in agreement between 5E and private company, Great Basin Resources, Inc. (**GBR**), in which 5E currently has an exclusive right to earn and acquire 100% of the Salt Wells Project (**Earn-In Agreement**). Under the Agreement, Osmond will assume 5E's obligations and acquire an 80% interest in the Salt Wells Project, with a limited right to acquire up to 100% from 5E. 5E is currently focussed

[1] ASX:ABR Release 25 May 2018, "American Pacific Borate and Lithium agrees earn in rights to acquire 100% interest in two Borate and Lithium exploration Projects in Nevada, USA" (https://announcements.asx.com.au/asxpdf/20180525/pdf/43v9j20ty86dkw.pdf)

on the upcoming first production of boric acid and lithium from their 5E Boron Americas Complex, located in southern California.

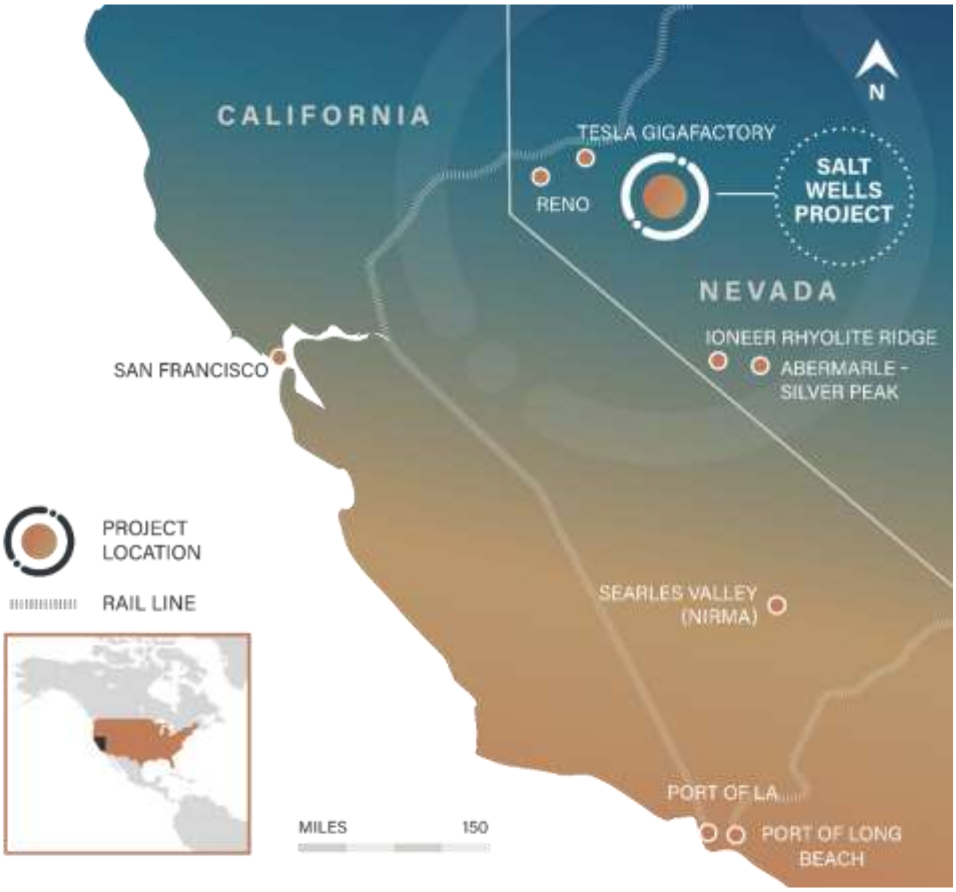

Figure 1: Location of the Salt Wells Project

Figure 2: Location of the Salt Wells Project area relative to regional towns and industry

Figure 3: Salt Wells landscape

Site Visit

In June, the Company announced a successful site visit to the Salt Wells Project, during which it identified the existence of previously undiscovered geophysical data (Magnetotellurics (**MT**) surveys) and drilling information. (See ASX Announcement 13 June 2023.)

The visit was invaluable for preparing to commence exploration by providing additional data and a deeper understanding of the project, leading to significant improvements in prospectivity modelling and highlighting the immense potential for lithium exploration.

Previously Osmond had identified that historic exploration included surface salt sampling from the northern area, and reconnaissance Magnetotellurics (MT) surveys. Following the site visit it is now apparent that in addition, a limited drilling campaign was undertaken. Whilst the drilling encountered a number of difficulties and the previous drill cuttings, core and original lab assay reports are still to be located; the lessons learnt for Osmond are invaluable in designing the next drilling program.

Osmond has now identified an experienced network of available resources that are familiar with the project and the operating environment in Nevada. These include local consultants who will be able to assist in not only designing the exploration program but importantly navigate the permitting process.

An important meeting was held on site with the drillers that undertook the previous drilling, lithium experienced hydrogeologists, geothermal experts, environmental and permitting personnel. This allowed the discussion of not only the proposed drilling but also targeting of the exploration program to be completed.

Historical drilling, together with the suite of geophysical data, will be used to refine the exploration model and vector towards potentially economic concentrations of Lithium-Boron brines and clays.

Engagement with local experts on the geology and hydrology of the area has led to Osmond redefining the original target areas within the basin, to focus on areas of high geothermal gradient, high conductivity and structural features. The presence of an existing geothermal plant located 1.8km to the south of the project area indicates that there is a probable heat engine, with the proposed model of circulating geothermal waters along the cross-cutting faults concentrating metals such as lithium and boron. An area of high conductivity on the MT profiles coincides with the inferred structures proposed by the geophysical consultants Terra Modelling Services for American Pacific Borate and Lithium. (See “MT Results” below.)

Salt Wells Project: Previous Exploration

In May 2018, 5E and its predecessor American Pacific Borates (ASX:ABR) undertook surface geochemical sampling and geophysics (Magnetotellurics - MT) programs. Since then there has been limited activity on the Project as 5E focused on the development of their flagship 5E Boron Americas Complex, located in southern California.

The geochemical assay results from the surface salt samples acquired over the northern section of the Project (see ABR ASX Release 25 May 2018, *American Pacific Borate and Lithium agrees earn in rights to acquire 100% interest in two Borate and Lithium exploration Projects in Nevada, USA*), demonstrated elevated levels of lithium and borates. The highest recorded lithium reading was 810ppm Li with several other readings above 500ppm recorded over a wide area (Figure 4). In addition, Boron was assayed for with the results reported with peak values exceeding 10,000pm (1%) boron (Figure 5).

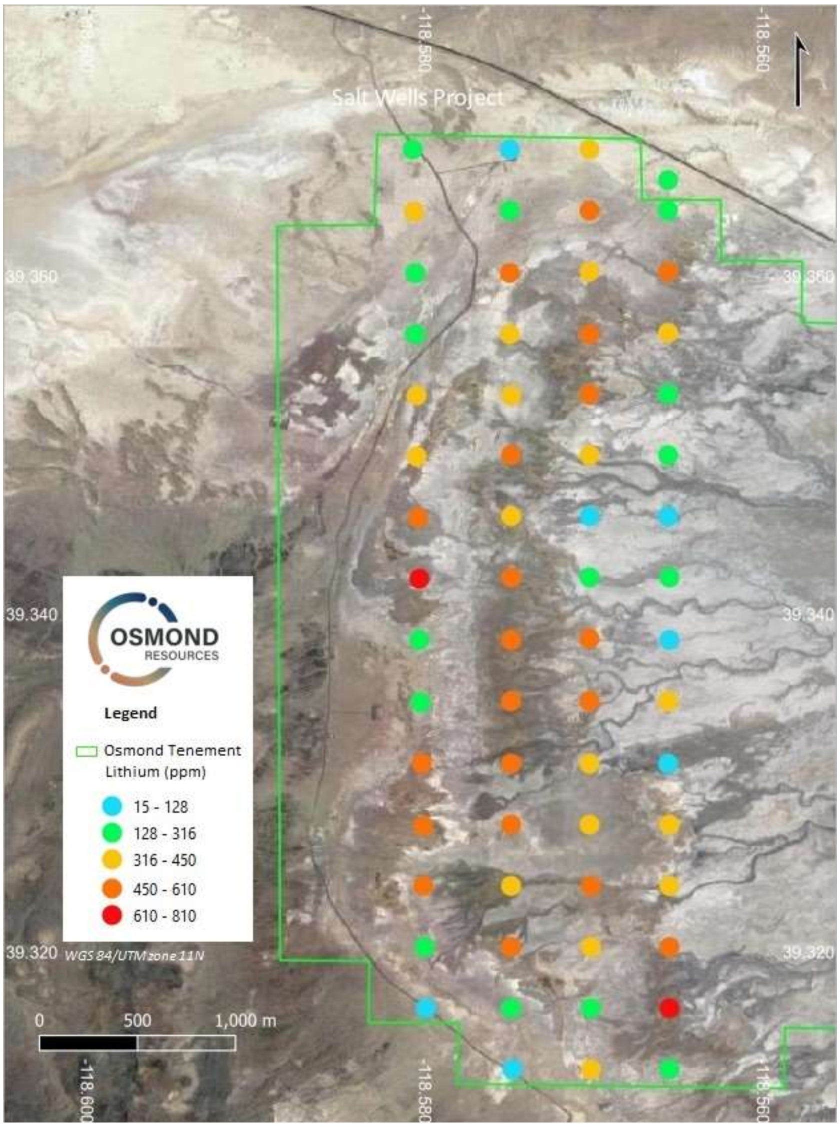

Figure 4: Lithium assay results in ppm from March 2018 geochemical sampling over the northern part of the Salt Wells Project area (ASX:ABR Release 25 May 2018) [1].

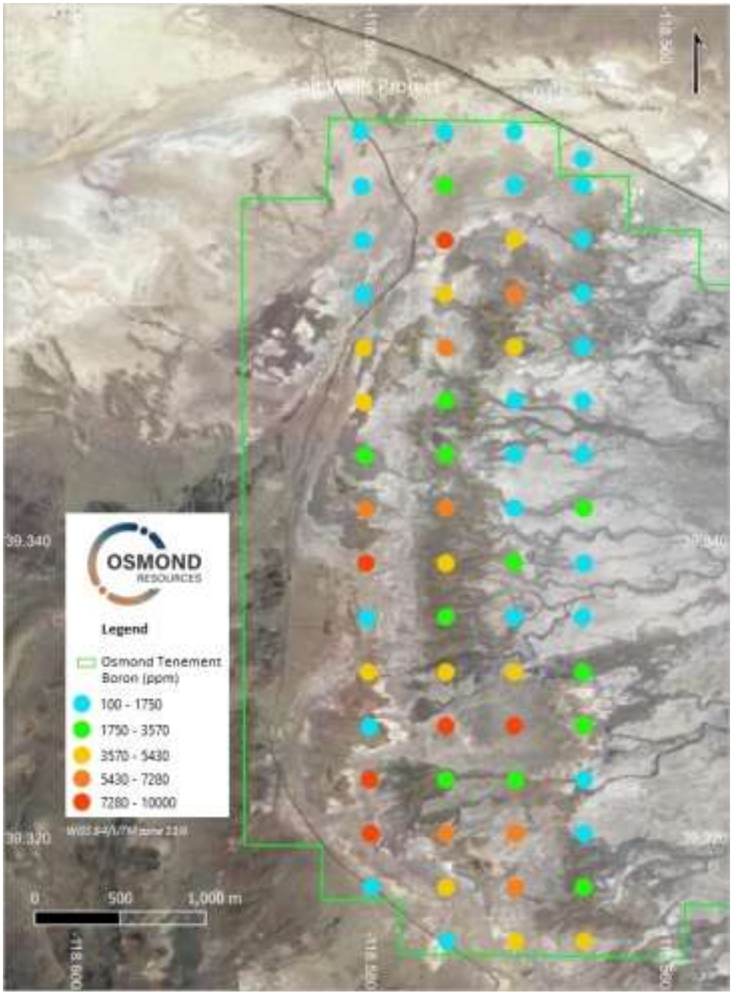

Figure 5: Boron assay results in ppm from March 2018 geochemical sampling (ASX:ABR Release 25 May 2018)[1]

Magnetotelluric (MT) Survey

In addition to the geochemical sampling 5E undertook a Magnetotellurics (**MT**) survey over the Salt Wells Project (see ASX release by ABR on 9 October 2018, titled "*Magnetotelluric (MT) survey completed on ABR's Salt Wells Projects*"). Figure 6 shows the location of the MT survey lines with respect to the claims. The survey was designed to determine the location of the basement rock and indicate the potential for brines within the Salt Wells Basin. The survey data is being made available to Osmond and will be used to assist in defining planned exploration.

Data was collected along 5 lines, 4 of which were oriented east-west and one oriented north-south. A total of 74 MT measurements were collected for 14.8 line kilometres of coverage.

The five MT lines show significant low resistivity layering with offsetting structures (Figures 7 to 11) that are consistent with known lithium brine sources in other locations. The low resistivity layer at surface represents the evaporitic salts and brines at the playa lake surface. The broader low resistivity zone at depth is inferred to represent a concentrated brine. The deep low resistivity zones (purple) are obvious targets for exploration drilling and all of which remain untested with drilling and brine sampling.

Figure 6: MT survey lines (red) (American Pacific Borate and Lithium Ltd (ASX:ABR) announcement 9th Oct 2018). Also shown are the location of the planned historic drill holes with only 2 holes undertaken(green dots). Blue dots represent geothermal springs

Previous Drilling

Drilling was conducted by local drill company Harris Drilling for American Pacific Borates and Lithium Ltd in October-November 2019. The drill program was initially laid out with 4 planned drill holes, AP-01-2019, AP-02-2019, AP-03-2019 and AP-04-2019 using RC-Air method (Figure 6). Drill holes were initially planned to a nominal depth of 500ft (approx. 152m) due to the capacity of the drill rig. The proposed targets were the highly conductive surface layers and the resistive layer below. Although it was mentioned that drilling to 1000ft (305m) would be beneficial to target the deeper conductive layer below the afore mentioned resistive layer.

AP-03-2019 was the first hole drilled, with a total depth of 130ft (approx. 39.6m). The drill hole intersected two aquifers, one at 35ft and another at 70ft with free-flowing sands in both. Black-green organic clays were intercepted at the top of the drill hole and a hard siliceous band of sandstone was intercepted at 103m. Details of any samples are still to be verified by Osmond.

AP-02-2019 was the second hole drilled. The hole was drilled with RC and cased to 60ft (18.3m), then cored to 243ft (74.1m). from 243ft to 708ft (215.8m) the hole was drilled with rotary mud to test the possible lower saline aquifer. This was abandoned when the PVC could not be pushed passed 500 feet and the hole was gamma logged through the drill string. At 180 feet (54.9m) a prominent stiff clay was encountered in the core until below 480 feet (146.3m) where more distinct solid bedding occurs. A strong inflow of water was noted by the drillers at 620 feet (189m) with a kick up to 5 feet above the top of the drill string.

Lithology is typically multiple transgressions and regressions from low to high energy deposition. The drill hole appears as a “layer cake” of repeating clay/silt/sand beds. Occasionally more silty, firm beds are encountered, noticeably at 180ft (54.9m). Sand is typically medium to coarse grained sub-rounded, moderately well sorted with significant quartz and grey-green silt.

Details of any samples are still to be verified by Osmond.

Interpretation

Drill logs combined with the MT data indicate that the previous drilling did not intercept the low resistivity zones other than the surface brines in the west. Drill hole AP-03-2019 stopped short of intercepting the moderately conductive layer (Figure 9) and drill hole AP-002-2019 was too far west of the conductive zone inferred to be a saline aquifer (9).

The MT Section Line 3 (Figure 9) shows a possible convective cell of brines and geothermal activity, key components to Lithium-Boron brine models. Geothermal wells are located near the western end of the MT Section Line 3 which would act as a heat engine for the system, driving fluids upward along faults. Shallow, fresh meteoric waters entering from the west (blues and greens near the surface) and hot geothermal ground waters from below, move away from the heat source and elevated land surface, increasing in salinity eastward due to evaporation, until the brines are of sufficient density and cool temperature to begin to sink, preferentially travelling through the most permeable units until it is joins the geothermal circuit again, constantly upgrading dissolved Lithium-Boron through leaching by low pH/high temperature ground waters and surface evaporation.

Based on the preliminary interpretation, Osmond is of the view that locating a new drill hole to the east of AP-002-2019, targeting the Conductive Layer and Possible Deeper Conductive Layer (Figure 9) would be more prospective for lithium-boron bearing brines.

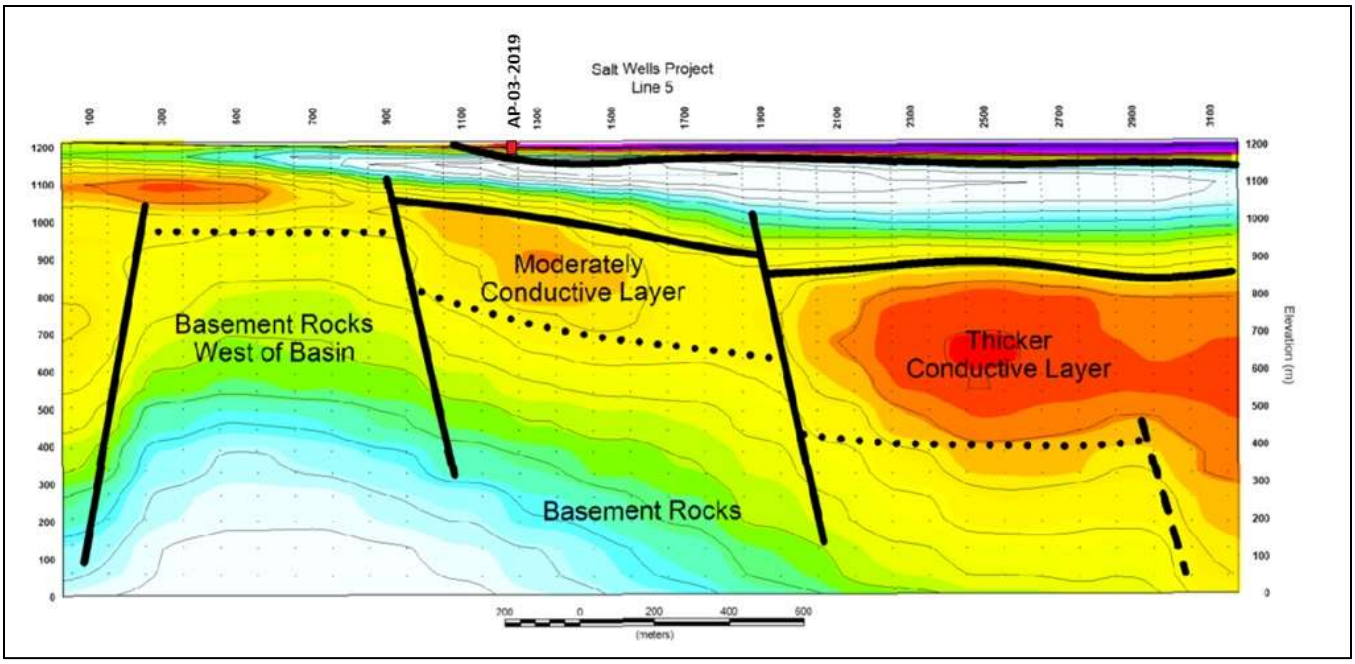

Figure 7: Structural interpretation by Terra Modelling Services of MT Section Line 5, also includes the location of failed RC drill hole AP-03-2019 (drilled to 140ft (36.6m))

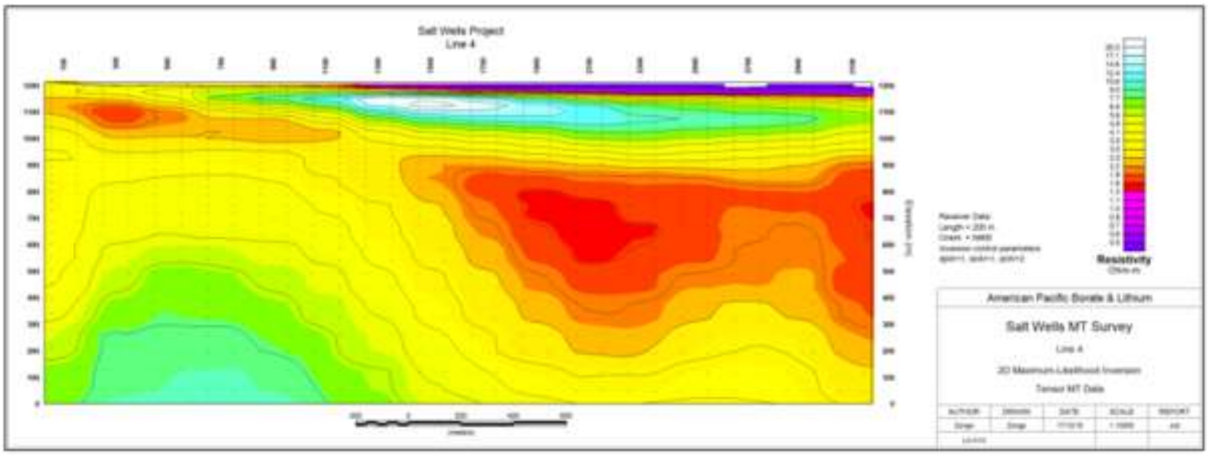

Figure 8: Salt Wells North MT Line 4 - 2D Inversion Resistivity Section

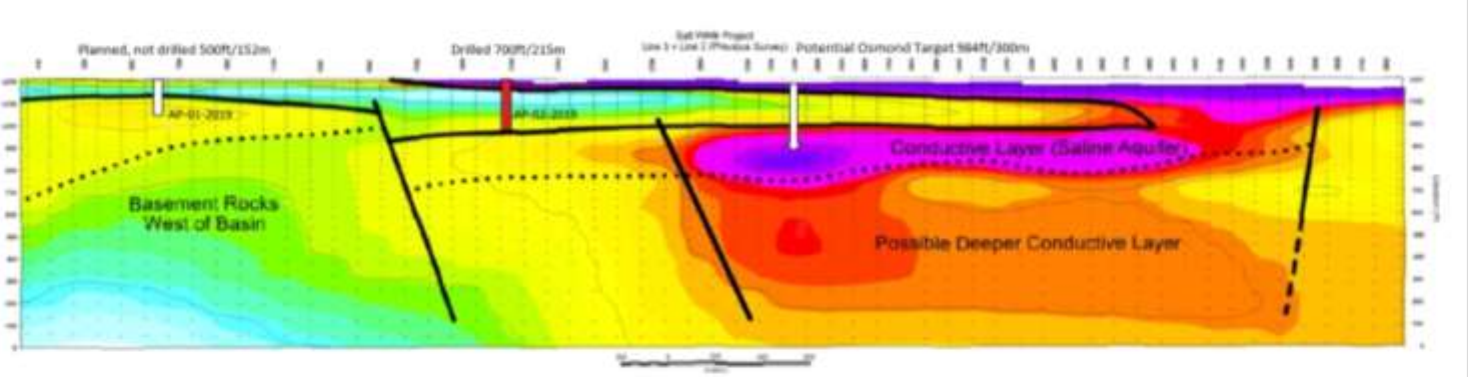

Figure 9: Structural interpretation by Terra Modelling Services of MT Section Line 3 (2D Inversion Resistivity Section), also includes the location of core drill hole AP-02-2019 (drilled to 708ft (215.8m)), shown as red. Also shown (in white) was ABR's proposed

drillhole AP-01-2019 (not drilled), subject to the acquisition and interpretation of geophysical data, this could also be the site for Osmond's proposed drill hole.

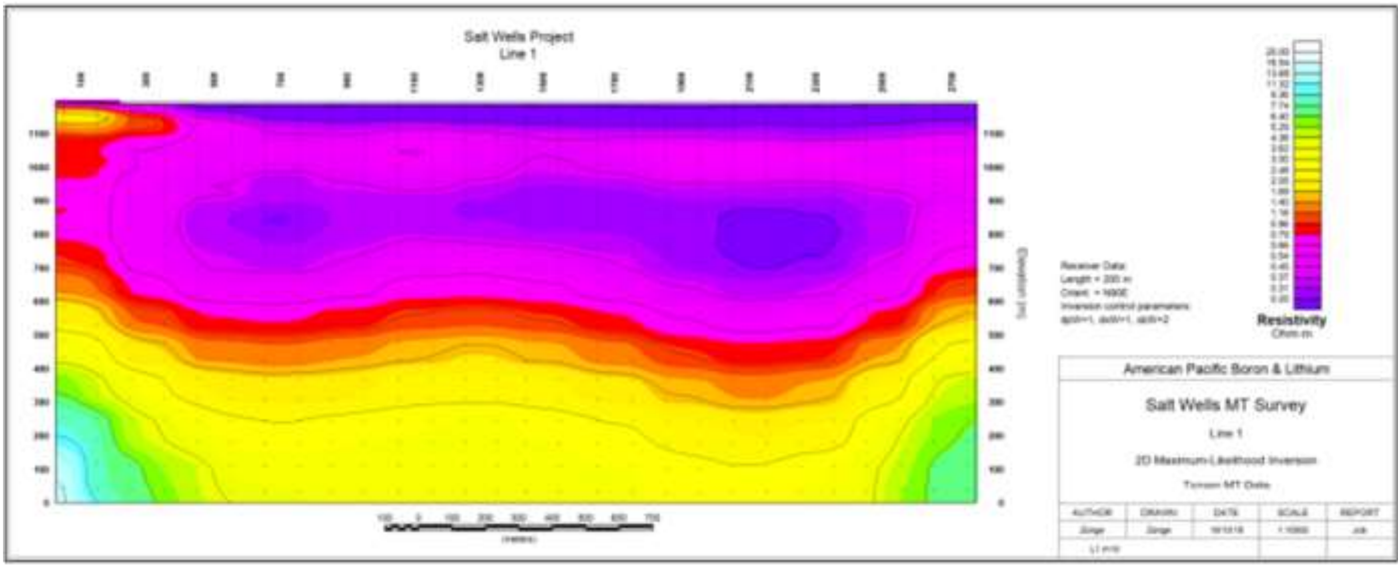

Figure 10: Salt Wells South MT Line 1- 2D Inversion Resistivity Section

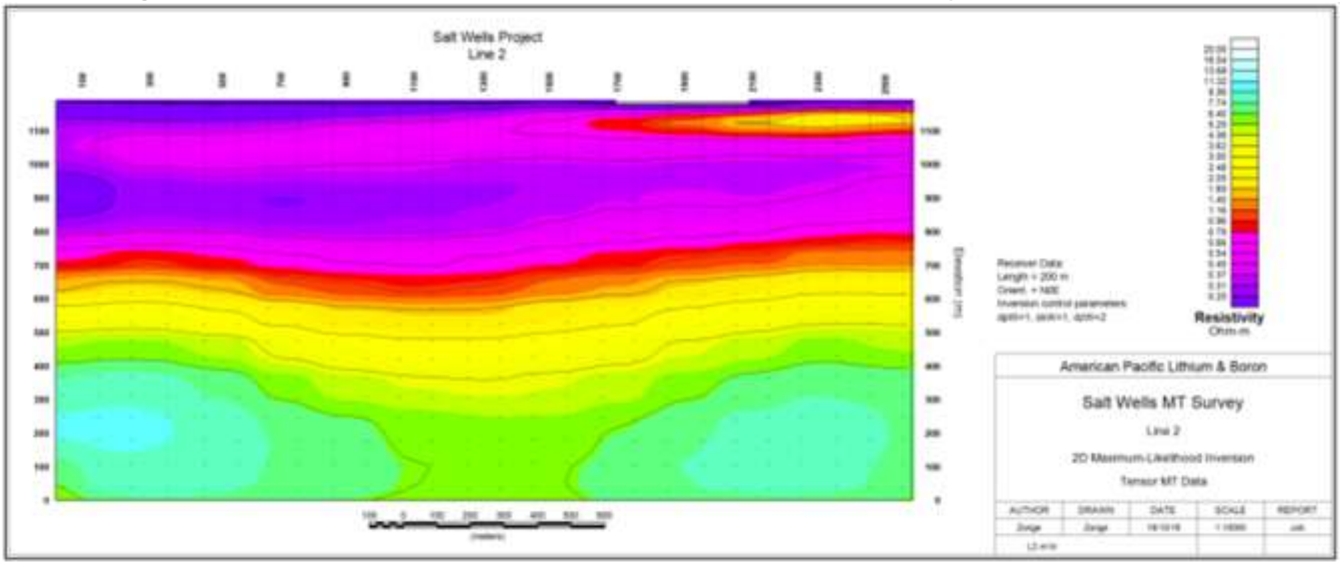

Figure 11: Salt Wells South MT sections 1 and 2- 2D Inversion Resistivity Section

Geological Model

The geological model for the Salt Wells Project is a closed basin setting where lithium enriched brines are developed due to the interaction between geothermally influenced inflow waters and basin fill sediments. This is the same setting as the Clayton Valley, Nevada, USA (Figure 12). Clayton Valley hosts the Albemarle producing Silver Peak Mine and other developers such as Pure Energy (**TSXV: PE**), Cypress Minerals (**TSXV: CYP**).

Clayton Valley, Nevada is the singular locality for closed-basin Lithium brine production in North America (Figure 1) and has been in production since the 1960s. The brine is dependent on inflow waters and sources of Li either outside and/or inside the basin. Clayton Valley is a topographically closed, half-graben basin, Quaternary alluvial fans rim the valley floor extending from basement fault blocks that structurally bound the basin on all sides.

Potentially Li brine resources may regenerate in place by processes of subsurface leaching from Li-rich lacustrine sediments followed by long-term migration of brine into permeable stratigraphic zones. This process may be enhanced by a high geothermal gradient that aids in Li leaching from the abundant lacustrine sediments in the subsurface.

Based on this model, OSM will be looking to target more permeable potential Li hosting stratigraphic layers at depth.

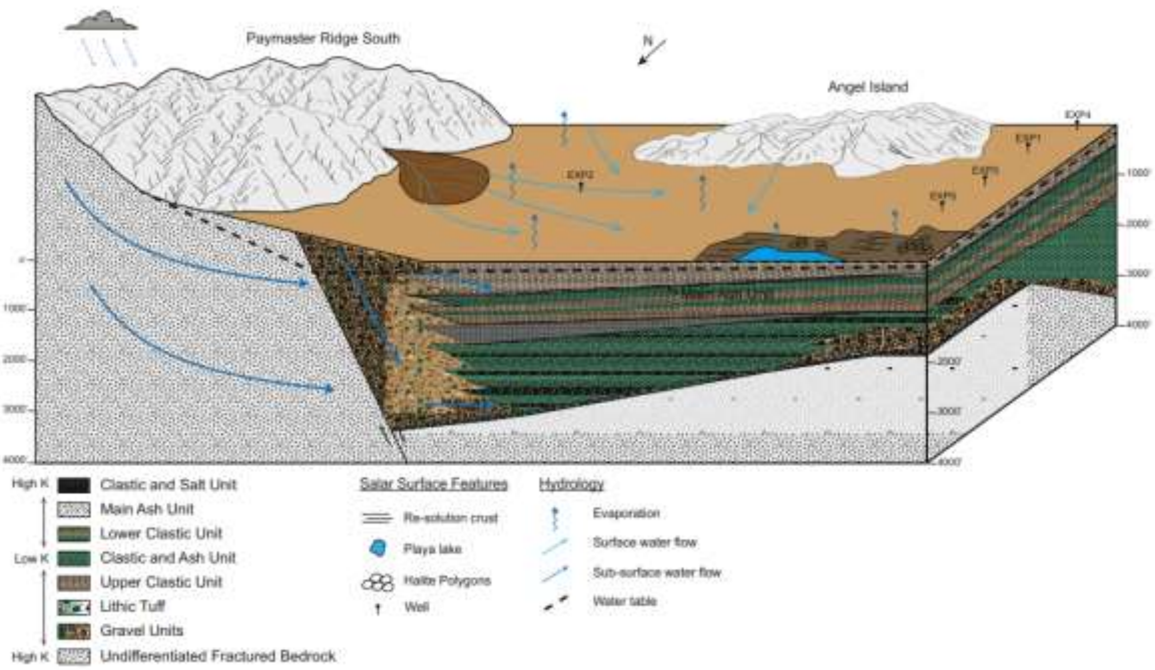

Figure 12: Conceptual three dimensional block diagram of the Clayton Valley subsurface and salar highlighting the lithospheric units. Relative hydraulic conductivity for each unit is shown as well as general hydrological features and process. From: Lithium Storage and Release From Lacustrine Sediments: Implications for Lithium Enrichment and Sustainability in Continental Brines. December 2021. D. M. Coffey, L. A. Munk, D. E. Ibarra, K. L. Butler, D. F. Boutt, J. Jenckes

Agreement Terms to Acquire Salt Wells Project

Osmond entered into an Agreement with 5E to assume 5E's obligations under the Earn-In Agreement for an exclusive earn-in rights to earn-in and acquire the Salt Wells Project.

The counterparty to the Earn-In Agreement with 5E is Great Basin Resources Inc, (**GBR**), a company registered in Nevada, USA. Under the existing Earn-in Agreement, 5E has an exclusive right to earn and acquire 100% of the Salt Wells Projects by expending, as agent for GBR, a total of US$3,000,000 on the Salt Wells Project, inclusive of annual lease payments through to 31 December 2025 (**Expenditure Requirement**). 5E has partially satisfied the Expenditure Requirement by spending US$543,931.99. The remaining Expenditure Requirement is US$2,456,068, which is proposed to be assumed by Osmond.

Where, upon Osmond satisfying the remaining Expenditure Requirement on behalf of 5E under the Earn-In Agreement, Osmond shall be entitled to an 80% legal and beneficial interest in the Salt Wells Projects, whilst 5EA will retain a 20% interest. The Company will subsequently have an option to acquire the remaining 20% interest from 5EA.

Under the Earn-In Agreement and the Agreement, neither 5E nor Osmond has an obligation to incur the full US$2,456,068 and satisfy the Expenditure Requirement and the annual expenditure amounts (referred to below) are not contractual obligations. Subject to satisfactory results of the initial planned exploration program on the Salt Wells Project, Osmond may withdraw from assuming 5EA's obligations under the Earn-In Agreement and terminate the Agreement at any time.

The remaining expenditure to be assumed by Osmond under the Earn-In Agreement is a total of US$2,456,068 and to be incurred in annual instalments as follows:

- US$900,000 by 31 December 2023;
- US$800,000 by 31 December 2024; and,
- US$756,068 by 31 December 2025.

Upon satisfying the Expenditure Requirement and Osmond becoming entitled to an 80% legal and beneficial interest in the Salt Wells Projects, 5E may elect to form an unincorporated joint venture with the Company to carry out joint venture activities at the Salt Wells Projects, where future funding will be contributed on a pro-rata basis, pursuant to which:

- in the event 5E elects to form an unincorporated joint venture with the Company, 5E and the Company will enter into a joint venture agreement formally document the terms of the joint venture; and,
- in the event 5E elects not to enter into a joint venture agreement, the Company shall be entitled to acquire the remaining 20% legal and beneficial in the Salt Wells Projects from 5E by incurring a minimum of US$3,000,000 Project related expenditure.

Borate Sales

Under the Agreement, Osmond also will grant 5E a first right of refusal as its exclusive sales and marketing agent for the sale of borate produced from the Salt Wells Project on an open book basis; and payment of an appropriate industry standard sales and marketing fee to the assignor in relation to any sales of Salt Wells Borate, which is to be agreed by the parties in good faith, but which shall not exceed 5% (Fee). This sales and marketing agreement will not apply to the sale of lithium or any other minerals.

South Australian Projects

In September 2022, the Company advised that several highly prospective targets emerged from the ongoing review of the reprocessing and modelling of existing AEM and magnetic data. Osmond have been able to access high quality and detailed airborne and ground geophysics data, which includes 100m and 40m flight line Magnetic and Radiometric data, 200m flight line Airborne Electro-Magnetic data, broad spaced gravity and high resolution Gradient Array IP survey data. These have been used to create an integrated 3D inversion model of the **Yumbarra Project Area.**

The Company engaged experienced geophysical consultant, David McInnes, to undertake a review of all available geophysical data across the South Australian tenements. Magnetic and conductive anomalies have been identified in locations, inferred to be the basal contact of the ultra-mafic intrusive. Other significant conductors are located in the demagnetised core and hinge zones of the ultramafic complex.

A detailed helicopter supported ground based gravity program has been designed to cover the **Yumbarra Project Area** to aid in basement lithological and structural interpretation and to identify any potential dense metallic sulphide deposits. The spacing of the gravity stations will range from 250m to 1,000m. This will significantly improve the resolution versus the existing 7km spaced stations.

During the March 20023 quarter, Osmond's executive team visited Ceduna and met with the Board of the Far West Coast Aboriginal Corporation (FWCAC) to discuss planned gravity surveys over the Yumbarra (EL6417) and Fowler Projects (EL6603 and EL6604), both located on far west South Australia. The meeting was constructive and assisted Osmond in planning of the proposed helicopter supported gravity surveys over both the Fowler and Yumbarra Projects. The Exploration Program for Environment Protection and Rehabilitation (EPEPR) plans for both surveys were also submitted to the Department for Energy and Mining (DEM) for approval.

During the June 2023 quarter, the Exploration Program for Environment Protection and Rehabilitation (EPEPR) plans for helicopter supported geophysics (gravity) surveys over both the Yumbarra and Fowler project were approved by the Department for Energy and Mining (DEM).

Planning and logistics will now be implemented for the gravity survey with a view to completing the surveys in the current quarter. The gravity survey results will be used in conjunction with the existing magnetics and drilling data to define new drilling targets for nickel and gold.

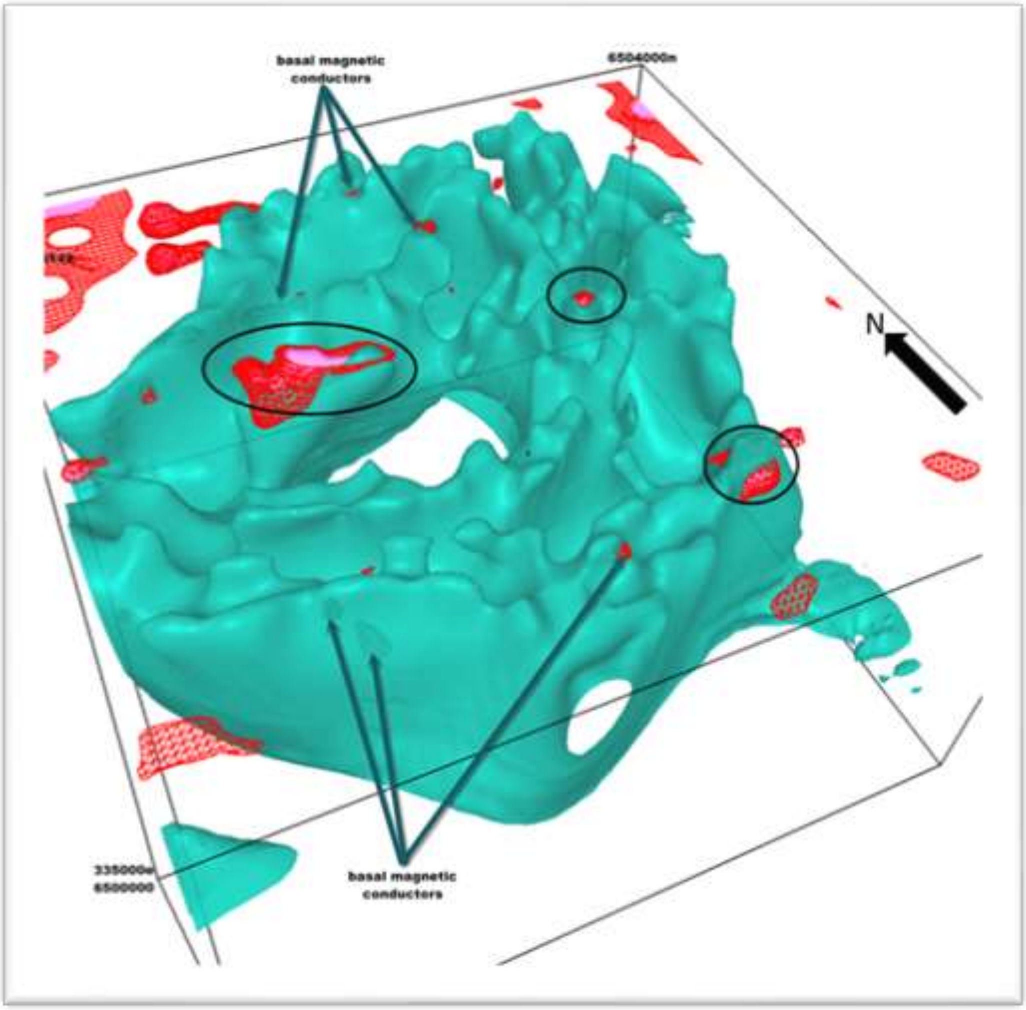

Figure 13: Magnetic model susceptibility shell (0.1 SI units) defining the layered ultramafic magnetic units. Circled AEM anomalies are in demagnetised core zone and hinges of the complex. Also identified are high priority potential sulphide sourced basal contact conductors.

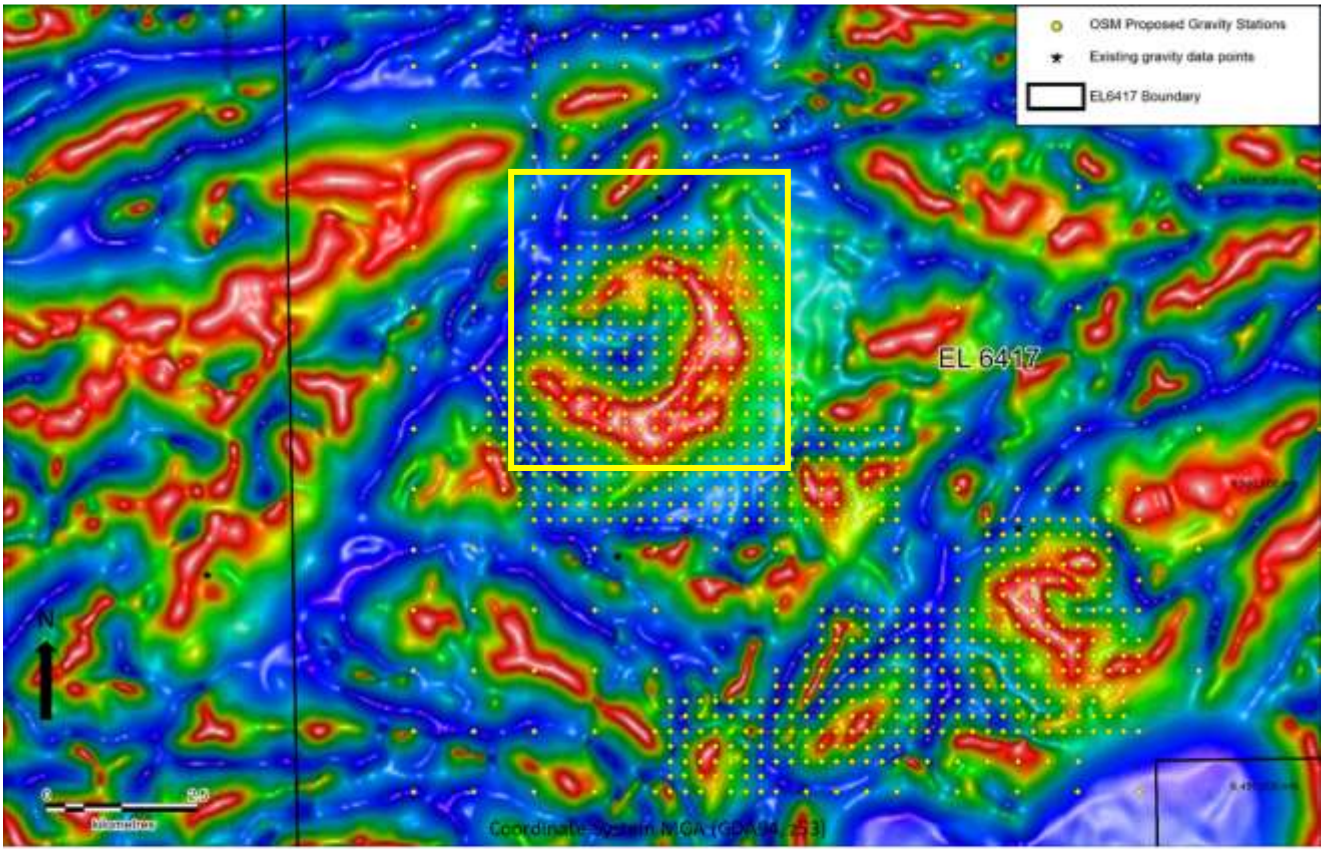

Figure 14: Proposed gravity program over the Yumbarra Prospect, EL6417. (Image background Magnetic RTP).

At the **Fowler Project** preliminary findings of the ongoing geophysical review has identified a strong coincident gravity and magnetic anomaly located in the northern area of tenement EL6604 on the same trend as IGO Limited (ASX:IGO) nickel prospect Mystic.

EL6604 is one of the two tenements held by Osmond in JV with Kimba Minerals Pty Ltd.

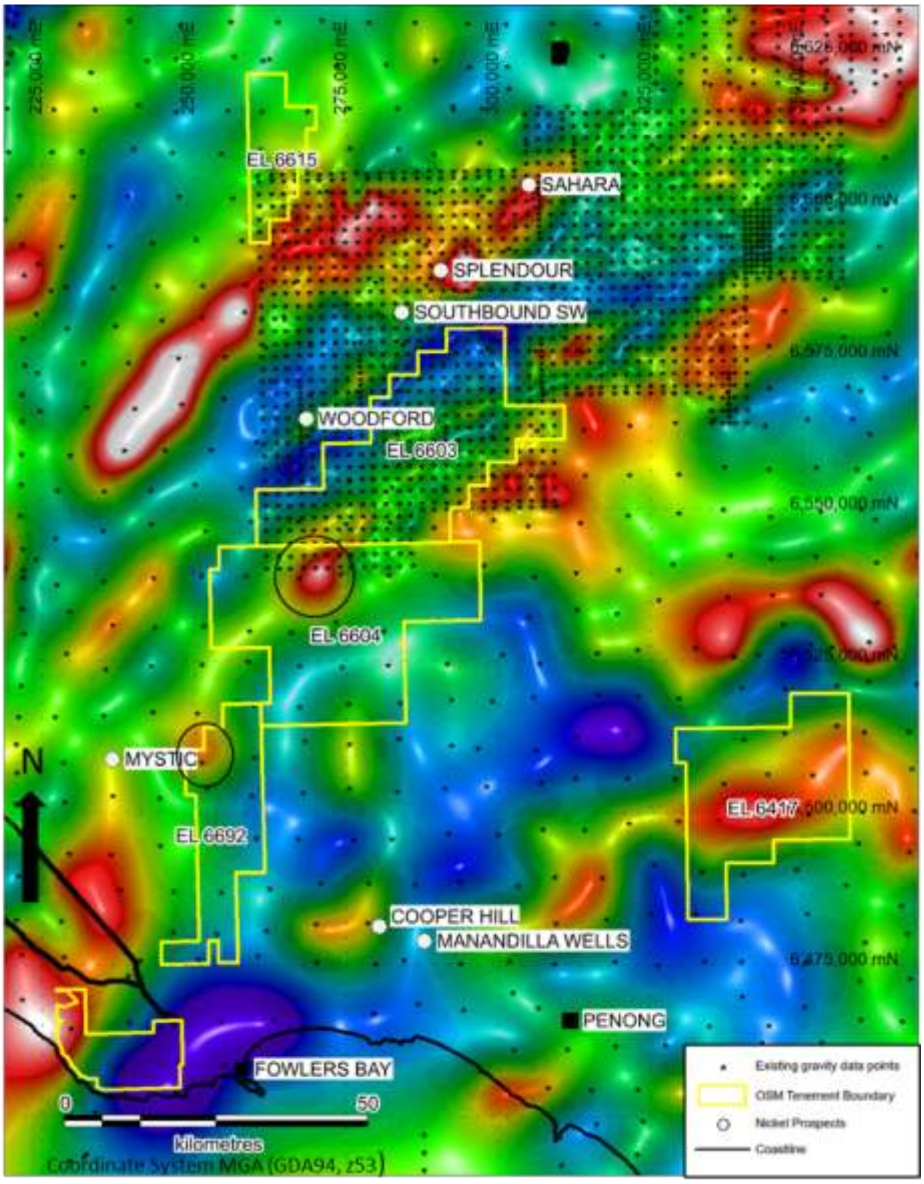

Figure 15: Residual Gravity image showing gravity data station density (black stars) and local Nickel Prospects.
Priority targets areas are circled.

Sandford Project (Victoria)

Results from the soil sampling survey completed at the Sandford Project were reported in early January 2023. Where it was reported that base metals and TREO (**Total Rare Earth Oxide**) anomalism in an independent laboratory analysis of soil samples collected last year confirmed the handheld XRF (**pXRF**) analysis results announced October 2022. (ASX Announcement 3 January 2023)

Anomalous and coincident Zn-Pb-Cu-Ba-S anomalism was identified within a regional NW-SE structural zone (Figure 6) contained by a subsurface greenstone belt on the southwest margin of an exposed block of Cambrian basement sequences and intrusives. The nature and location of the anomalism to the large regional scale structures and intrusive systems is suggestive of SEDEX (**sedimentary exhalative**) style mineralisation (e.g. Angas Mine type, located in the Kanmantoo Belt of South Australia).

Several small base metal occurrences are known within the region (Figure 17) adding validity to the geological model, including Nolan's Creek (Pb-Zn-Ag-Cu-Au), Gossan A (Pb-Zn-Cu) and Robertson Creek (Au, Cu, Ni, Pb, Zn). Nolan's Creek being the largest of the occurrences, underwent a brief period of mining in the late 1890s. The mineralisation style at Nolan's Creek has historically been compared to Broken Hill SEDEX type and more recently to Kanmantoo Belt strata bound Hydrothermal and submarine exhalate Pb-Zn-Ag type.

Further to the emerging base metal prospect, rare earth anomalism has been confirmed through soil sample assays with a peak value of 1148ppm TREO (Figure 8). This TREO anomalism loosely correlates with the Jurassic aged trachytic lava flows of the Dens Hill Formation.

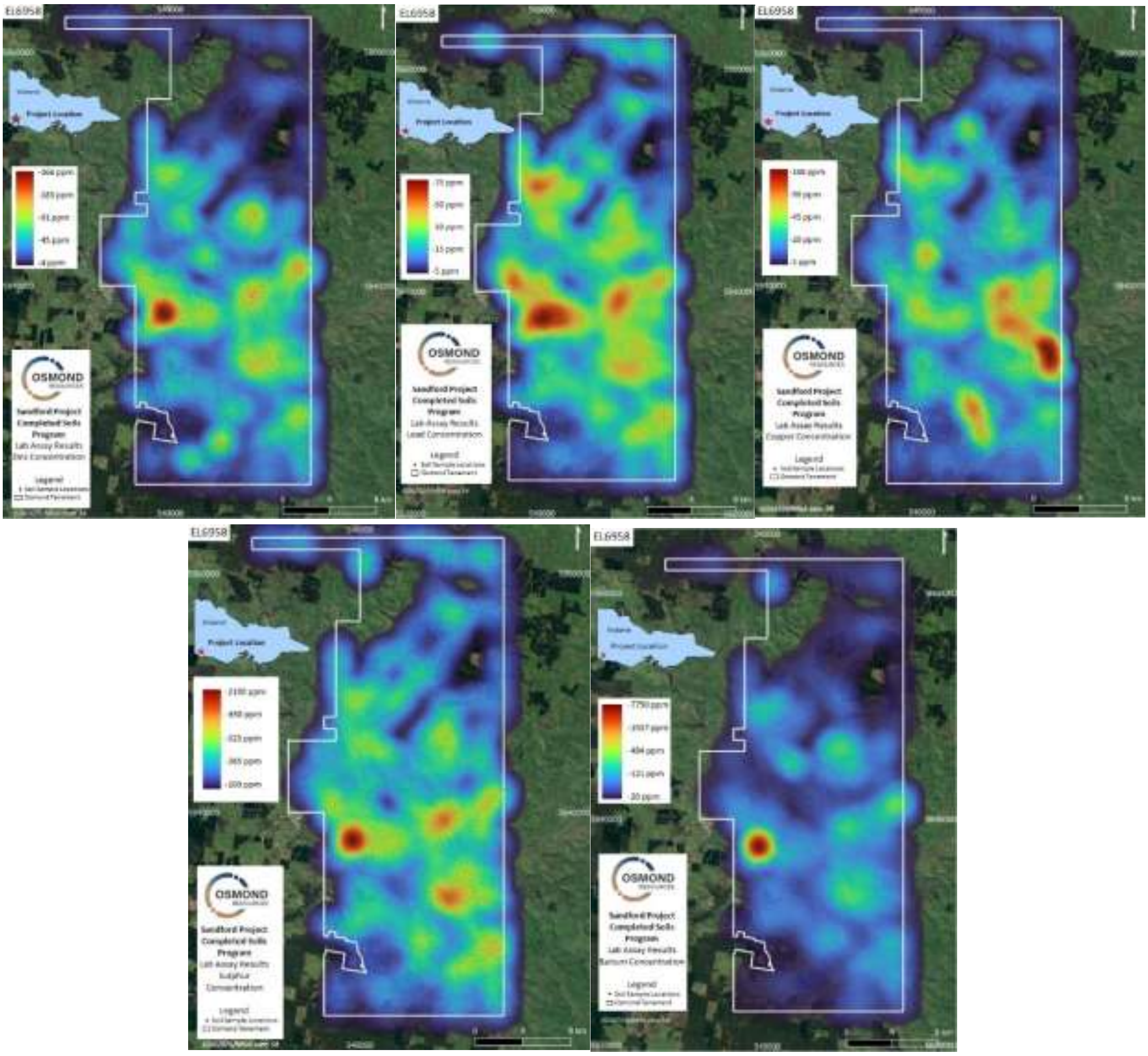

Figure 16: Sandford soil sample assay results for Zinc (Zn), Lead (Pb), Copper (Cu), Sulphur (S) and, Barium (Ba)

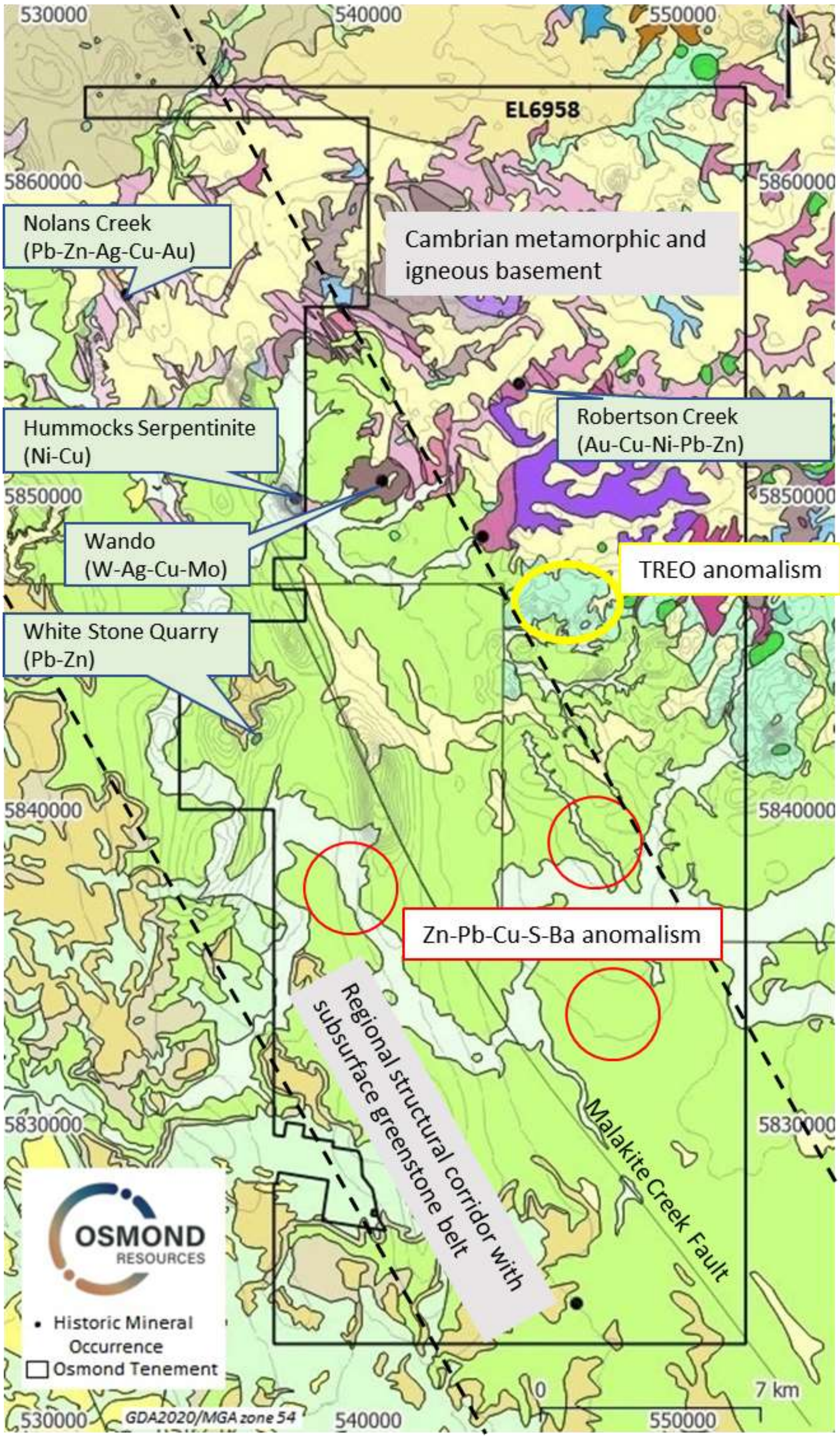

Figure 17: Sandford regional geology with historical mineral occurrences, soil sample anomalism (Base metals red, TREO yellow) and total magnetic intensity contours (grey)

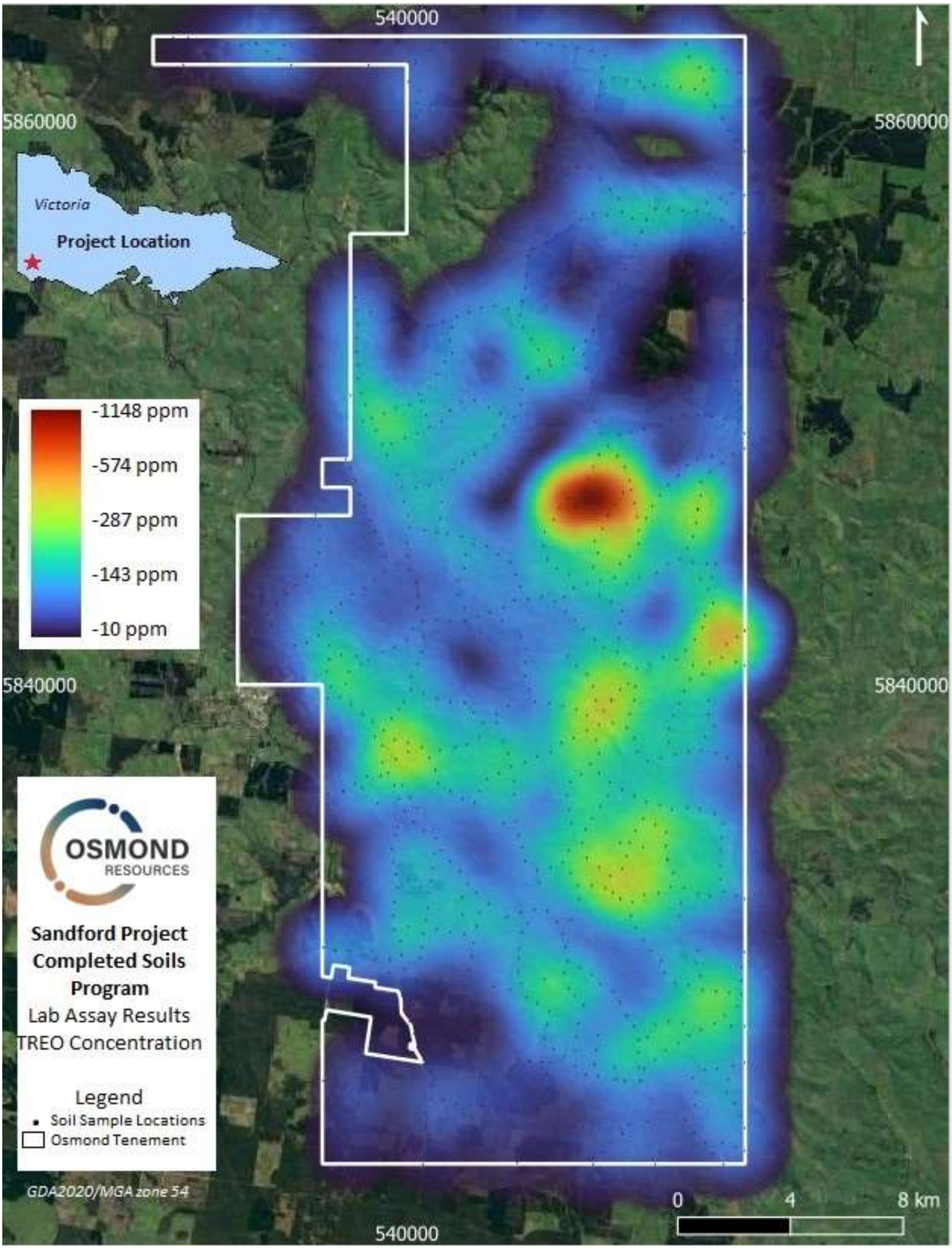

Figure 18: Sandford soil sample assay results for TREO

Detailed ground-based gravity and magnetic surveys were completed in a targeted area of the Sandford Project. The area selected was the Hummocks area as it is along trend from the neighboring Hummocks nickel-copper historic occurrence. The gravity station spacing was a 250x250m grid and magnetics on a 50m to 100m line spacing. With a total of 420 gravity stations and approximately 218km of magnetic data completed.

Interpretation of the preliminary magnetics data (Figure 19) show several NW trending lineaments (lithological unit boundaries or regional structures associated with the regional Fault Zone), secondary splays trending WNW-ESE and several later stage NE-SW trending orthogonal structures offsetting basement as inferred by the interruptions in magnetic response. A group of magnetic anomalies exist in the north-eastern region of the survey area correlate with a mapped basalt whereas the increasing magnetic intensity in the SW corner of the survey area is trending towards the highly magnetic serpentinite intrusive located at Whitestone Quarry (just outside the map area).

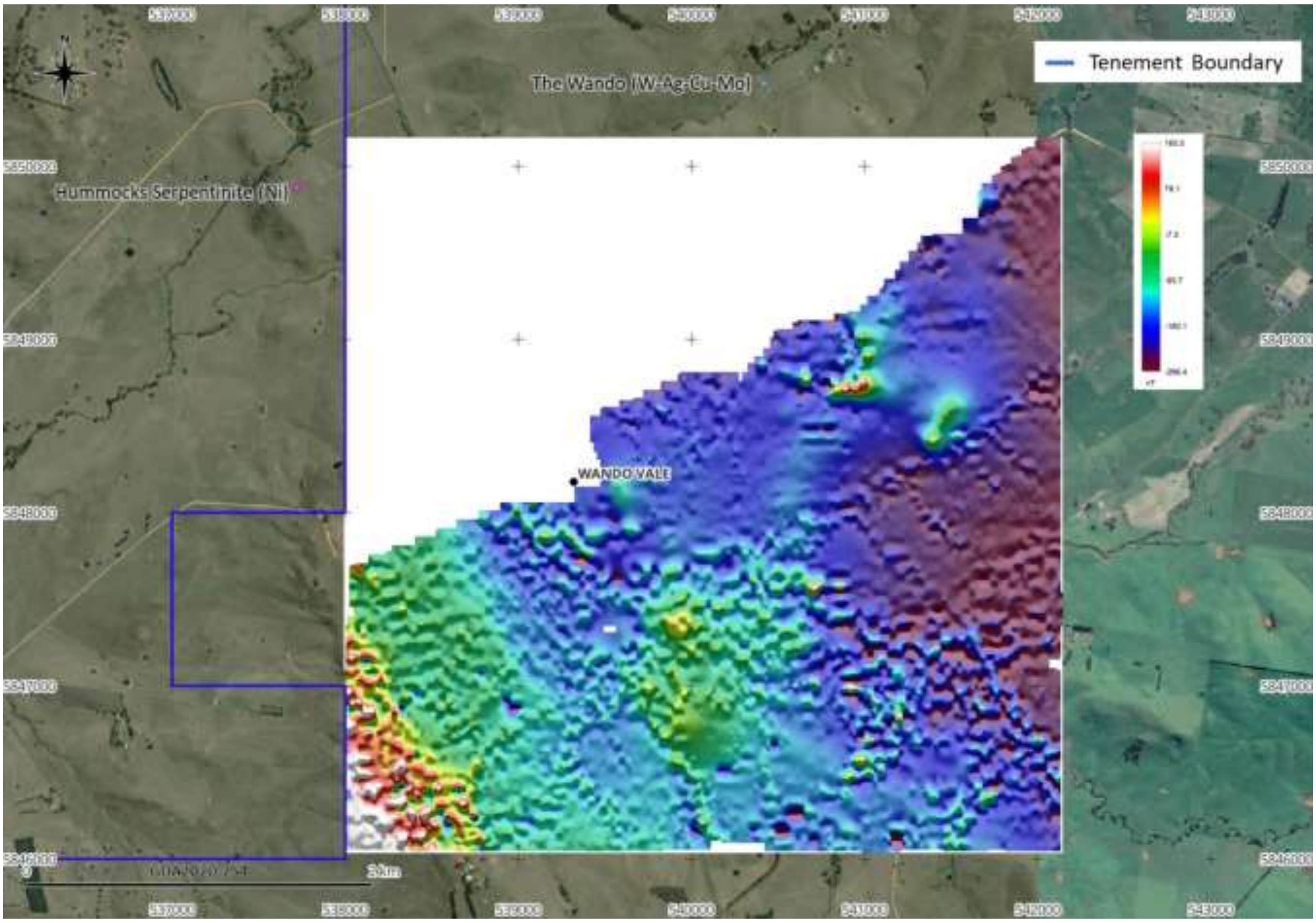

Figure 19: Magnetic survey results (TMI 10m NNint L)

Preliminary interpretation of the gravity data corroborates a complex structural zone of orthogonal faults and splays. The structural setting of large regional structures with 2nd order splays and later stage orthogonal faulting is thought to be favourable for the transmission and concentration of mineralised fluids.

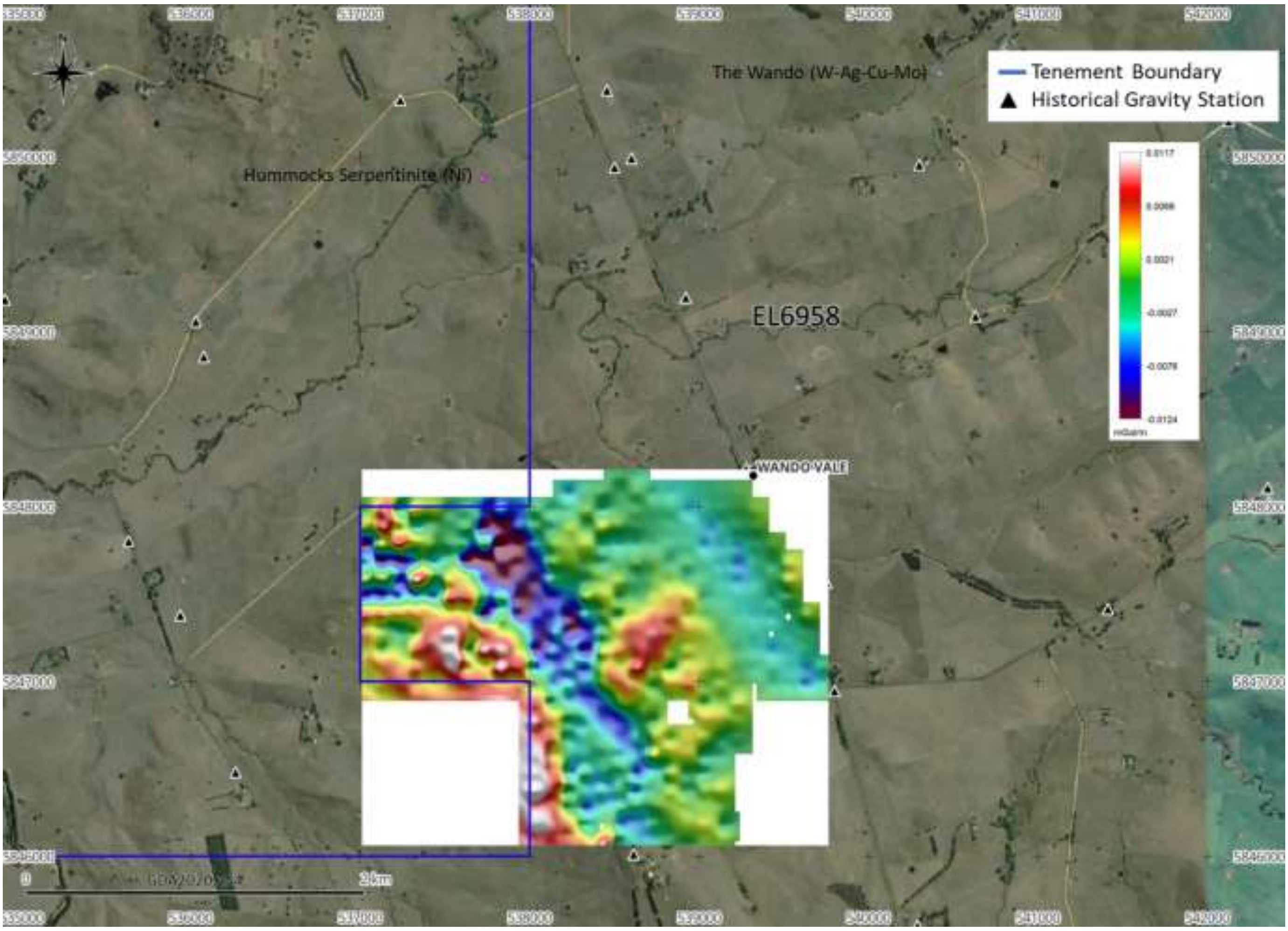

Figure 20: Gravity survey results

Acquisition rates for the geophysics data was slower than planned due to the numerous small land holdings restricting travel along the proposed acquisition lines. Due to the logistics limitations the survey areas were reduced from the original plan. A follow up geophysics survey in the vicinity of the Hummocks and Whitestone Quarry serpentinites could be undertaken to test for extension to the serpentinite intrusives.

During August and September 2022, soil samples collected across the tenement were dried, sieved to sub 2mm fraction and analysed with the pXRF. A main central zone of anomalous Rare Earth Elements measuring approximately 18km long by 4km wide was identified from the analysis (Figure 21).

In October 2022, the Company announced that Rare Earth Element (REE), Cobalt/Vanadium and Zinc anomalisms had been identified through handheld XRF (pXRF) analysis of soil samples taken in the recent regional sampling program.

Geochemical analysis by pXRF is considered as a preliminary indication only and subject to confirmation by laboratory assay. Results from pXRF analysis can vary significantly from laboratory assay. Thus, these collected samples were dispatched to the laboratory for assay.

The nature of the REE mineralisation is yet to be confirmed or understood, however at this early stage the anomalism appears to be associated with the Jurassic aged trachytic and phonolitic lava flows of Dens Hill Formation and overlying sediments. It is reasonable to expect that the overlying sediments of the Cretaceous aged Eumeralla Formation may obscure a significant portion of the Dens Hill Formation within the Sandford Project Area and provide the potential for a much larger footprint for REE accumulations.

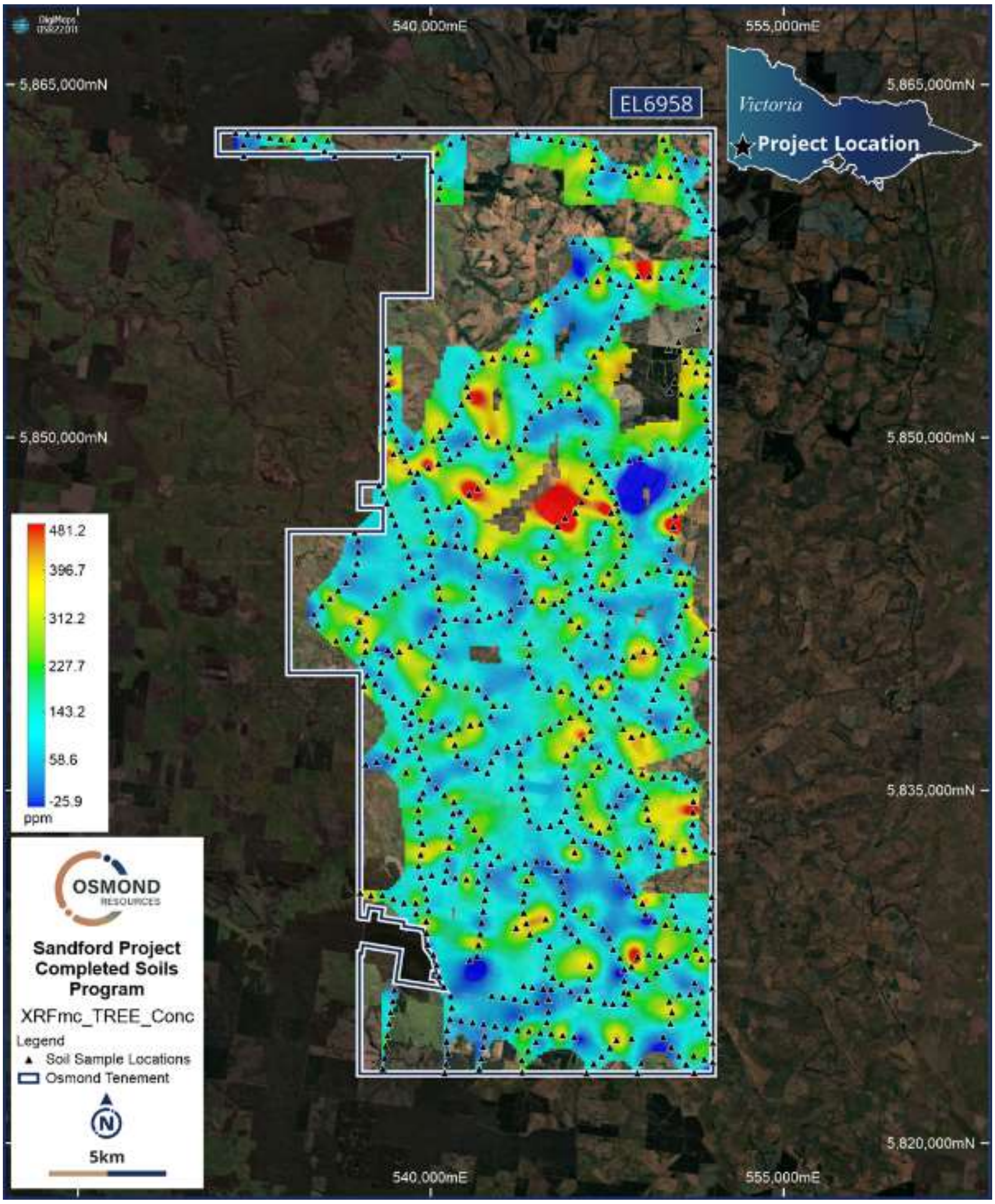

Figure 21: Sandford soil samples coloured by TREE pXRF results

In addition to the highly encouraging REE pXRF results, the results have identified a Cobalt-Vanadium anomaly, presumably associated with the mafic volcanics, and discrete but significantly anomalous Zinc, adding to the diverse prospectivity of the region (Figures 22 and 23).

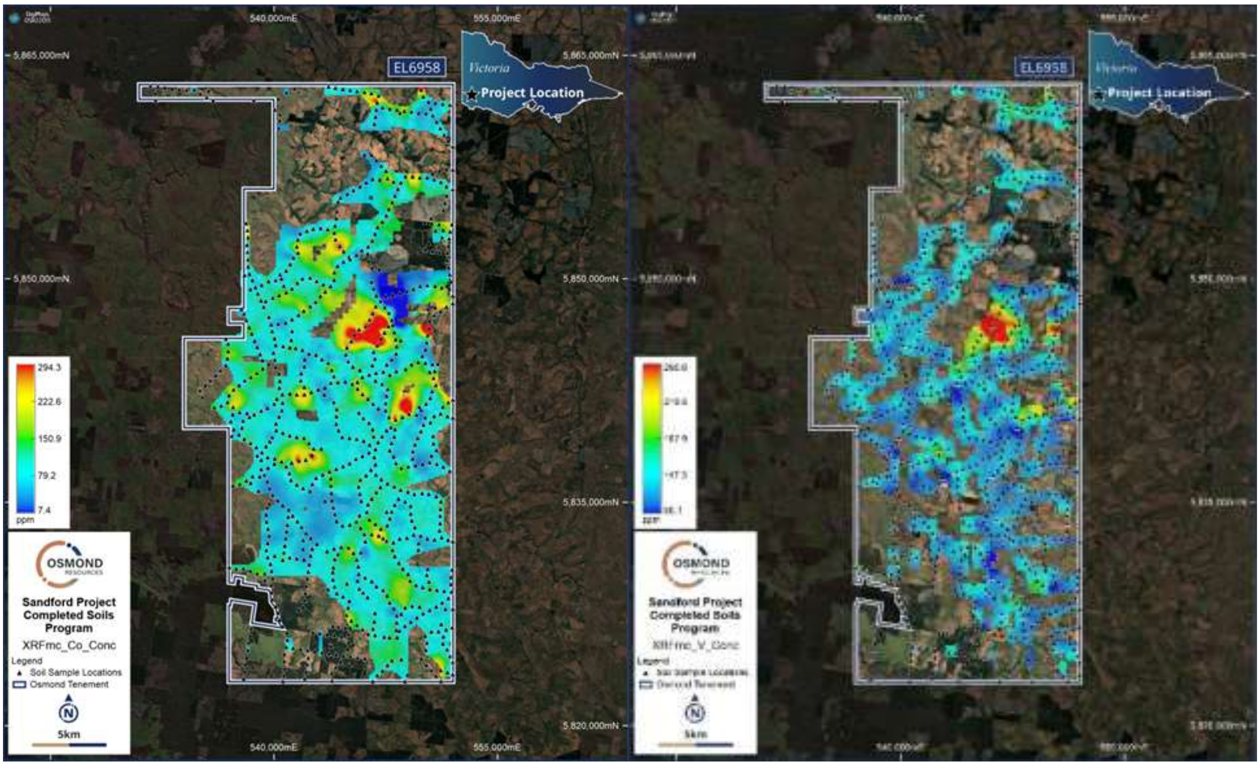

Figure 22: Cobalt (left) and Vanadium (right) soil sample pXRF results

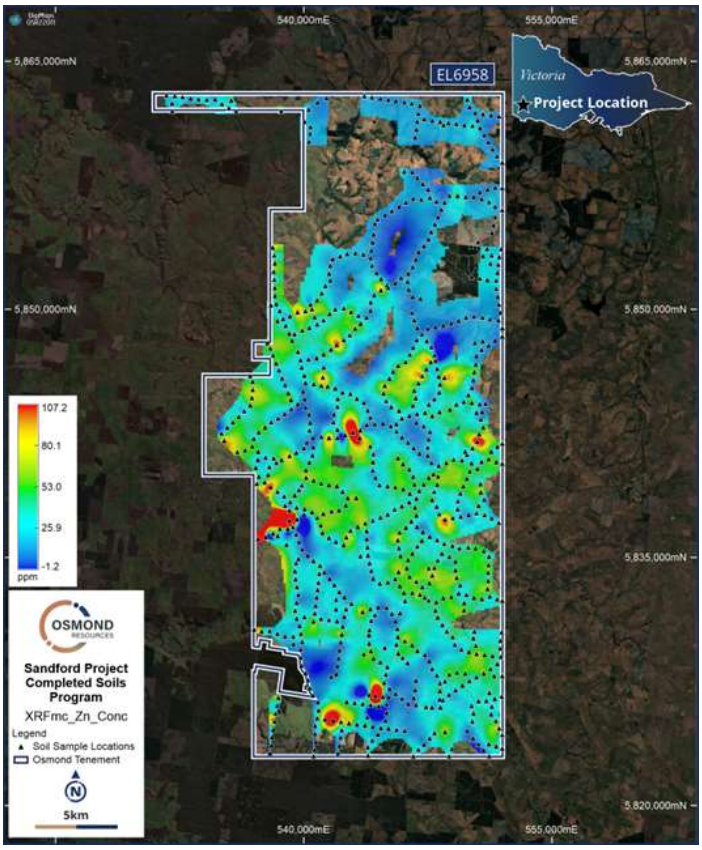

Figure 23: Zinc soil sample pXRF results

In early January 2023, the Company advised that base metals and TREO (**Total Rare Earth Oxide**) anomalism in an independent laboratory analysis of these soil samples confirmed the handheld XRF (**pXRF**) analysis results announced in October.

Significant and coincident Zn-Pb-Cu-Ba-S anomalism was identified within a regional NW-SE structural zone (Figure 24) contained by a subsurface greenstone belt on the southwest margin of an exposed block of Cambrian basement sequences and intrusives. The nature and location of the anomalism to the large regional scale structures and intrusive systems is suggestive of SEDEX (**sedimentary exhalative**) style mineralisation (e.g. Angas Mine type, located in the Kanmantoo Belt of South Australia).

Several small base metal occurrences are known within the region adding validity to the geological model, including Nolan's Creek (Pb-Zn-Ag-Cu-Au), Gossan A (Pb-Zn-Cu) and Robertson Creek (Au, Cu, Ni, Pb, Zn). Nolan's Creek being the largest of the occurrences, underwent a brief period of mining in the late 1890s. The mineralisation style at Nolan's Creek has historically been compared to Broken Hill SEDEX type and more recently to Kanmantoo Belt strata bound Hydrothermal and submarine exhalate Pb-Zn-Ag type.

Further to the emerging base metal prospect, rare earth anomalism has been confirmed through soil sample assays with a peak value of 1148ppm TREO (Figure 25). This TREO anomalism loosely correlates with the Jurassic aged trachytic lava flows of the Dens Hill Formation.

Osmond are now in the process of designing a follow up infill soils program to define the extent of anomalism and to correlate with regional geophysical modelling and interpretation.

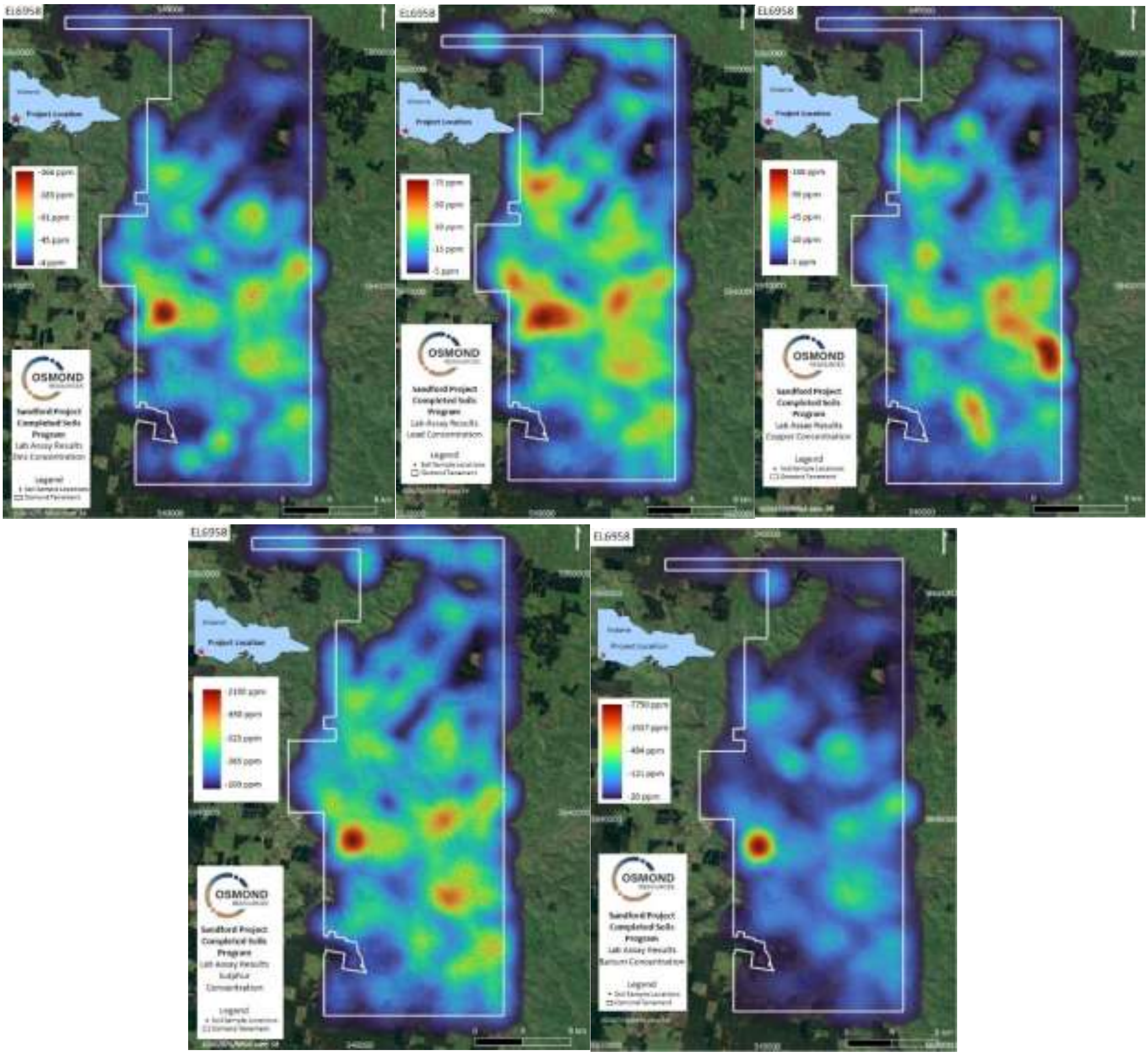

Figure 24: Sandford soil sample assay results for Zinc (Zn), Lead (Pb), Copper (Cu), Sulphur (S) and, Barium (Ba)

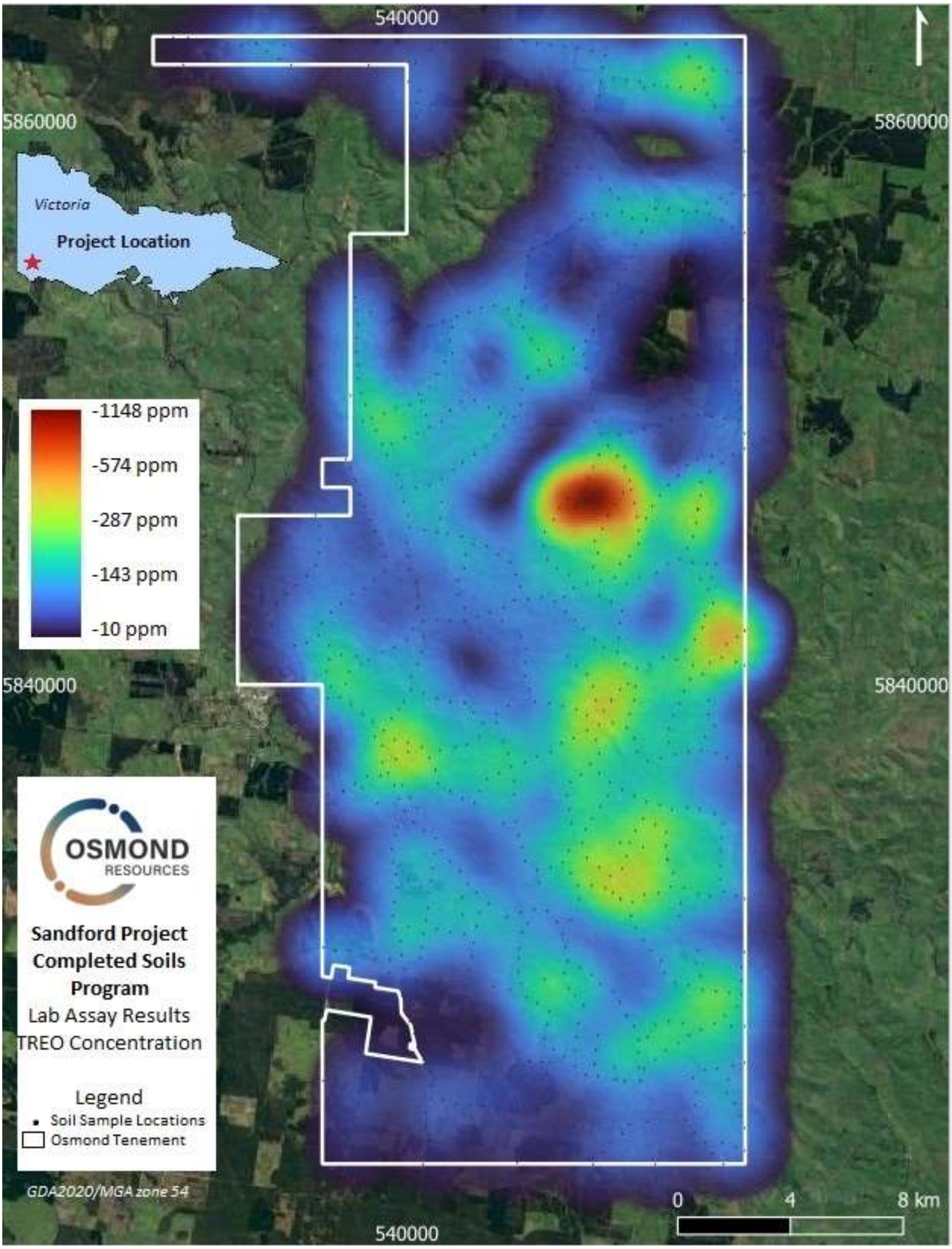

Figure 25: Sandford soil sample assay results for TREO

Corporate

Rights Issue

In conjunction with the Salt Wells Project acquisition, Osmond undertook a pro-rata non-renounceable rights issue of one (1) fully paid ordinary share for every three (3) Shares held by shareholders registered at the Record Date, at an issue price of $0.14 per New Share, to raise up to $2.313m (before costs).

On 16 June, the Company advised that its Rights Issue had closed. The Company received applications to subscribe for 6,588,886 new Shares from Eligible Shareholders under the Entitlement Offer to raise approximately $922,444,80. This represents approximately 40% of all Shares offered under the Entitlement Offer.

The Company engaged Veritas Securities Limited to act as Lead Manager in respect of any shortfall under the Rights Issue. On 10 July, a total of 7,207,145 shares were placed under the shortfall allocation for $1,009,000 before costs

The proceeds from the Rights Issue and associated short fall allocation will be predominantly allocated to the Salt Wells Project and working capital.

Business Development

Osmond continues to pursue and assess other new business opportunities in the resources sector which complement its business.

Cash

The Company has cash reserves as at 30 June 2023 of $4.156m.

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Charles Nesbitt. Mr Charles Nesbitt is a full-time employee of Osmond Resources Ltd. Mr Charles Nesbitt has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Charles Nesbitt consents to the inclusion of this information in the form and context in which they occur.

The Directors present their report, together with the financial statements, on Osmond Resources Limited (referred to hereafter as the 'Company') for the financial year ended 30 June 2023.

Directors
The following persons were Directors of Osmond Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Rhoderick Grivas – Non-Executive Chair
Andrew Shearer – Executive Director and CEO
Daniel Eddington – Non-Executive Director

Principal activities
During the financial year the principal continuing activities of the Company consisted of exploration and development focused on gold, base metals and Rare Earth discoveries.

Dividends
No dividends were paid during the financial period.

Review of operations
The loss for the Company after providing for income tax amounted to $830,449 (2022: $859,506).

Significant changes in the state of affairs
In conjunction with the Salt Wells Project acquisition, the Company undertook a pro-rata non-renounceable rights issue of one (1) fully paid ordinary share for every three (3) Shares, at an issue price of $0.14 per New Share, to raise up to $2.313m (before costs).

On 16 June 2023, the Company advised that its Rights Issue had closed. The Company received applications to subscribe for 6,588,886 new Shares from Eligible Shareholders under the Entitlement Offer to raise approximately $922,444,80. This represents approximately 40% of all Shares offered under the Entitlement Offer.

The Company engaged Veritas Securities Limited to act as Lead Manager in respect of any shortfall under the Rights Issue. On 10 July 2023, a total of 7,207,145 shares were placed under the shortfall allocation for $1,009,000 before costs.

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

Matters subsequent to the end of the financial year
On 10 July 2023, the Company issued 7,207,145 Ordinary Shares arising from the shortfall under a rights issue, at a price of 14 cents each, raising $1,009,000 before costs.

On 10 July 2023, the Company issued 1,739,000 Options, exercisable at 25 cents on or before 10 July 2026, to the lead manager of the rights issue for capital raising costs.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations
The company will continue to conduct exploration and development activities focused on precious, base metals and energy metals discoveries.

Environmental regulation

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

The Company’s exploration activities are in Australia and the United States and are subject to environmental regulations. The Board maintains responsibility that the Company is in compliance with all relevant environmental legislation and maintains a high standard of environmental care. During the year, there were no known breaches of tenement conditions, and no such breaches have been notified by any government agencies.

Risks and Uncertainties

The business and operations of Osmond are subject to numerous risks, many of which are beyond Osmond’s control. Osmond considers the risks set out below to be some of the most significant to the Company, but not all of the risks associated with the Company. If any of these risks materialise into actual events or circumstances or other possible additional risks and uncertainties of which Osmond is currently unaware or which it considers to be material in relation to Osmond’s business actually occur, the Company’s assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

(a) Osmond has limited financial resources and limited operating revenues. To earn and/or maintain its interest in its mineral projects, the Company has contractually agreed or is required to make certain payments and expenditures for and on such projects. Osmond’s ability to continue as a going concern is dependent upon, among other things, Osmond establishing commercial quantities of mineral reserves on its projects and obtaining the necessary financing and permits to develop and profitably produce such minerals or, alternatively, disposing of its interests on a profitable basis, none of which is assured.

(b) Osmond has only generated losses to date and will require additional funds to further explore its projects. The only sources of funds for exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, presently available to Osmond are the sale of equity or farming out its mineral projects to third party for further exploration or development. Osmond’s ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions as well as its business performance. There is no assurance such additional funding will be available to Osmond when needed on commercially reasonable terms or at all. Additional equity financing may also result in substantial dilution thereby reducing the marketability of Osmond’s shares. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company’s interest in its projects.

(c) Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in Osmond’s case given its formative stage of development and the fact that its mineral projects are still in their exploration stage. Furthermore, exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There are no known resources or reserves on its mineral projects and the Company’s proposed exploration programs are exploratory searches for commercial quantities of ore. There is no assurance that Osmond’s exploration will result in the discovery of an economically viable mineral deposit.

(d) Osmond activities are subject to the risks normally encountered in the mining exploration business. The economics of exploring, developing and operating resource projects are affected by many factors including the cost of exploration and development operations, variations of the grade of any ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection and title defects.

(e) Osmond’s mineral projects may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. In addition, the Company’s exploration activities will require certain licenses and permits from various governmental authorities. There is no assurance that Osmond will be successful in obtaining the necessary licenses and permits on a timely basis or at all to undertake its exploration activities in the future or, if granted, that the licenses and permits will be on the basis applied or remain in force as granted.

(f) Osmond must comply with environmental laws and regulations governing air and water quality and land disturbance and provide for reclamation and closure costs in addition to securing the necessary permits to advance exploration activities at is mineral projects. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company’s intended activities. Furthermore, environmental hazards may exist on the Company’s projects that are unknown to the Company at present and that have been caused by the Company or by previous owners or operators of the projects, or that may have occurred naturally. The Company may be liable for remediating such damages.

(g) Although the Company’s immediate focus will be on the Projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current Projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(h) Several of the Tenements overlap with certain third-party interests that may limit or impose conditions on the Company's ability to access the Tenements to conduct exploration and mining activities or that may cause delays in the Company's activities. In particular, under South Australia, Victorian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests, including private land, pastoral leases, petroleum tenure and other mining tenure which overlay areas within the Tenements in respect of any proposed exploration or mining activities on the Tenements. The Company is also required to obtain the consent of the relevant Minister in relation to activities on certain areas of the Tenements.

(i) The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(j) Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:
   a. the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
   b. climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

The above list of risks, uncertainties and other factors is not exhaustive.

Information on directors

Name:	Rhoderick Grivas
Title:	Non-Executive Chair
Experience and expertise:	Mr Grivas is a geologist with over 30 years of experience in the resource industry, including 20 years of board experience on ASX listed companies. Mr Grivas has held several director and management positions with publicly listed mining and exploration companies, including Managing Director of ASX and TSX listed gold miner Dioro Exploration NL (ASX: DIO), where he oversaw the discovery and development of a gold resource through feasibility to production. Mr Grivas has a strong combination of equity market, M&A, commercial, strategic, and executive management capabilities.
Other current directorships:	Lexington Gold Ltd (Non-Executive Director)
Former directorships (last 3 years):	Golden Mile Resources Ltd (Non-Executive Chair) – resigned 20 December 2022 Aldoro Resources Ltd (Non-Executive Chair) - resigned 25 November 2020 Okapi Resources Ltd (Non-Executive Chair) - resigned 13 May 2021 Andromeda Metals Ltd (Non-Executive Director) (resigned 19 January 2022)
Interests in shares:	2,609,517
Interests in options:	750,000

Name:	Andrew Shearer
Title:	Executive Director and Chief Executive Officer
Experience and expertise:	Andrew is a seasoned executive with 28 years' experience in the resource and finance sectors, with an ability to combine technical, management, strategic and financial experience. More recently he has specialised in setting strategy and creating companies, raising capital and executing value generating opportunities. Currently operating at the Chair and Director level across several, ASX listed, resources companies, in both executive and non-executive roles. Establishing his career in the resources industry, Andrew has held technical and senior management roles with Mount Isa Mines Limited, Glengarry Resources Limited and the South Australian Government. Before moving into the finance sector in analyst roles, then transitioning into corporate advisory. Past and present board roles include, Andromeda Metals (ADN), Resolution Minerals (RML), Okapi Resources (OKR), Osmond Resources (OSM) and ACDC Metals (ADC) Andrew holds a bachelor's degree in Geology from University of South Australia, Honours in Geophysics from Adelaide University and an MBA from the University of Adelaide.
Other current directorships:	Investigator Resources Ltd (Non-Executive Director) ACDC Metals Ltd (Non-Executive Chairperson)
Former directorships (last 3 years):	Okapi Resources Ltd (Non-Executive Director) (Resigned 13/05/2021) Andromeda Metals Ltd (Non-Executive Director) (resigned 24 August 2022) Resolution Minerals Ltd (Non-Executive Director) (Resigned 29/09/2022)
Interests in shares:	2,568,000
Interests in options:	750,000

Name:	Daniel Eddington
Title:	Non-executive Director
Experience and expertise:	Mr Eddington has over 20 years' experience in the financial markets with experience across multiple sectors including the resource, energy, and industrial sectors. He specialises in equity capital markets and has been responsible for IPO's, placements, reverse takeovers, underwritings, corporate negotiations, and corporate advisory for companies predominantly in the resource sector. Mr Eddington has a Bachelor of Commerce Degree from The University of South Australia and a Graduate Diploma in Applied Finance & Investment from the Securities Institute of Australia.
Other current directorships:	Sparc Technologies Ltd (Non-Executive Director) Jade Gas Holdings Ltd (Non-Executive Director)
Former directorships (last 3 years):	None
Interests in shares:	2,693,001
Interests in options:	500,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Mr Adrien Wing (B.Bus, CPA) was the company secretary of the Company during the whole of the financial year and up to the date of this report. Mr Wing is CPA qualified. He practised in the audit and corporate divisions of a chartered accounting firm before working with a number of public companies listed on the ASX as a corporate/accounting consultant and Company Secretary.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full board	
	Attended	Held
Rhoderick Grivas	13	13
Andrew Shearer	13	13
Daniel Eddington	13	13

Held: represents the number of meetings held (10) and circular resolutions (3) during the time the director held office. The Board manages the function of the audit committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information

A Principles used to determine the nature and amount of remuneration

The Board practice for determining the nature and amount of remuneration of directors and other key management personnel is agreed by the Board of Directors as a whole. The Board obtains professional advice where necessary to ensure that the Company attracts and retains talented and motivated Directors and employees who can enhance Company performance through their contributions and leadership.

Remuneration consists of a fixed remuneration, performance-based bonuses and long-term share options as considered appropriate. The Board believes that options are an effective remuneration tool which preserves the cash reserves of the Company whilst providing valuable remuneration.

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

Executive Director Remuneration
Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. In determining the level and make-up of the Executive Director remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience.

Remuneration is periodically compared to relevant external market conditions. This is done based on surveys of peer companies' Managing Director remuneration and also taking into account the increase in consumer price index. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

No external consultant was engaged during the year for the purpose of remuneration review.

Non-Executive Directors remuneration
Non-Executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act at the time of the Directors retirement or termination. Non-Executive Directors remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the amount of Director fees being paid by comparable companies with similar responsibilities and the experience of the Non-Executive Directors when undertaking the annual review process.

Company performance, shareholder wealth and director and other key management personnel remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and other key management personnel through successfully achieving its primary objectives. During exploration project development phase, these objectives are not linked to earnings. Instead, the successful discovery or acquisition of mineral resources and progress with project development are the primary means of value creation and thus, are the primary objectives of the Company. The achievement of this aim has been through the issue of options to Directors to encourage the alignment of personal and shareholder interests. The recipients of the options are responsible for growing the Company and increasing shareholder value. If they achieve this goal, the value of the options granted to them will also increase. Therefore, the options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

B Details of remuneration

Details of the remuneration of the Directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling major activities) of the Company are set out in the following tables.

	Short-term benefits	Post-employment benefits	Share-based payments	
2023	Cash salary and fees $	Super-annuation $	Options $	Total $
Non-Executive Directors:				
Rhoderick Grivas	65,158	6,842	-	72,000
Daniel Eddington	54,299	5,701	-	60,000
Executive Director:				
Andrew Shearer	186,036	19,714	-	205,750
Company Secretary:				
Adrien Wing	60,000	-	-	60,000
	365,493	32,257	-	397,750

	Short-term benefits	Post-employment benefits	Share-based payments	
2022	Cash salary and fees $	Super-annuation $	Options $	Total $
Non-Executive Directors:				
Rhoderick Grivas (appointed 15 September 2021)	54,546	5,454	90,000	150,000
Daniel Eddington	27,904	2,790	60,000	90,694
Executive Director:				
Andrew Shearer (appointed 15 September 2021)	64,811	6,481	90,000	161,292
Company Secretary:				
Adrien Wing (appointed 15 September 2021)	29,417	-	60,000	89,417
	176,678	14,725	300,000	491,403

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI	
Name	2023	2022	2023	2022
Non-Executive Directors:				
Rhoderick Grivas	100%	40%	-	60%
Daniel Eddington	100%	34%	-	66%
Executive Director:				
Andrew Shearer	81%	44%	19%	56%
Company Secretary:				
Adrien Wing	100%	33%	-	67%

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Andrew Shearer
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	15 September 2021
Term of agreement:	0.6 Full time equivalent hours
Details:	Gross salary is $150,000 plus superannuation per annum. Short term incentives to be determined by the Board. A bonus of $40,000 inclusive of superannuation was approved for the financial year ended 30 June 2023. The Company or the employee may terminate the employment contract without cause by providing 3 months written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

D Share-based compensation

Options

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

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
R Grivas	750,000	4.2.2022	4.2.2022	22.4.2025	$0.25	$0.12
A Shearer	750,000	4.2.2022	4.2.2022	22.4.2025	$0.25	$0.12
D Eddington	500,000	4.2.2022	4.2.2022	22.4.2025	$0.25	$0.12
A Wing	500,000	4.2.2022	4.2.2022	22.4.2025	$0.25	$0.12

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Company performance and link to remuneration'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

E Additional information

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022
Share price at financial year end ($)	0.19	0.17
Total dividends declared (cents per share)	-	-
Basic earnings per share (cents per share)	(1.67)	(3.69)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
R Grivas	2,466,667	-	142,850	-	2,609,517
D Eddington	2,310,001	-	383,333	-	2,693,334
A Shearer	2,425,000	-	143,000	-	2,568,000
A Wing	2,758,334	-	700,000	-	3,458,334
	9,960,002	-	1,369,183	-	11,329,185

Options holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
R Grivas	750,000	-	-	-	750,000
D Eddington	500,000	-	-	-	500,000
A Shearer	750,000	-	-	-	750,000
A Wing	500,000	-	-	-	500,000
	2,500,000	-	-	-	2,500,000

Related Party Transactions
During the year, the Company incurred an expense of $14,636 (2022: $nil) for office rent provided by Jade Gas Pty Ltd, a director-related entity of Mr Dan Eddington. The rent provided was based on commercial market terms and conditions.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Osmond Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
4.2.2022	22.4.2025	$0.25	3,000,000
22.4.2022	22.4.2025	$0.25	2,500,000
1.7.2022	30.6.2025	$0.35	1,250,000
20.2.2023	30.11.2025	$0.30	200,000
10.7.2023	10.07.2026	$0.25	1,739,000
			8,689,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 15 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 15 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew Shearer
Executive Director

26 September 2023
Melbourne

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Osmond Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Melbourne, Victoria
26 September 2023

Osmond Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue from continuing operations			
Other income		51,447	-
Expenses			
Legal expenses		(39,169)	(15,231)
IPO listing expenses		-	(189,160)
Employee benefits expense	4	(289,602)	(115,256)
Share based payments – Options	12	(147,000)	(360,000)
Exploration and evaluation expenses		(28,334)	(22,585)
Administration expenses		(376,914)	(157,274)
Depreciation expense		(877)	-
Loss before income tax expense from continuing operations		(830,449)	(859,506)
Income tax expense	5	-	-
Loss after income tax expense for the year		(830,449)	(859,506)
Other comprehensive income		-	-
Total comprehensive loss for the year		(830,449)	(859,506)

	Note	Cents	Cents
Earnings/(loss) per share attributable to the owners of Osmond Resources Limited			
Basic earnings per share	19	(1.67)	(3.69)
Diluted earnings per share	19	(1.67)	(3.69)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Osmond Resources Limited
Statement of financial position
As at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	6	4,156,093	4,570,907
Trade and other receivables	7	38,032	33,728
Prepayments		43,238	43,712
Other financial assets	8	50,000	-
Total current assets		4,287,363	4,648,347
Non-current assets			
Exploration and evaluation	9	1,331,181	724,204
Total non-current assets		1,331,181	724,204
Total assets		5,618,544	5,372,551
Liabilities			
Current liabilities			
Trade and other payables	10	118,376	84,433
Employee benefits		21,564	1,706
Total current liabilities		139,940	86,139
Total liabilities		139,940	86,139
Net assets		5,478,604	5,286,412
Equity			
Issued capital	11	6,368,769	5,493,128
Reserves	12	807,000	660,000
Accumulated losses		(1,697,165)	(866,716)
Total equity		5,478,604	5,286,412

The above statement of financial position should be read in conjunction with the accompanying notes

Osmond Resources Limited
Statement of changes in equity
For the year ended 30 June 2023

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	1,610	-	(7,210)	(5,600)
Loss after income tax expense for the year	-	-	(859,506)	(859,506)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(859,506)	(859,506)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	5,491,518	-	-	5,491,518
Options Issued	-	660,000	-	660,000
Balance at 30 June 2022	5,493,128	660,000	(866,716)	5,286,412

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	5,493,128	660,000	(866,716)	5,286,412
Loss after income tax expense for the year	-	-	(830,449)	(830,449)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(830,449)	(830,449)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	875,641	-	-	875,641
Options Issued	-	147,000	-	147,000
Balance at 30 June 2023	6,368,769	807,000	(1,697,165)	5,478,604

Osmond Resources Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Interest received		30,297	-
Payments to suppliers and employees (inclusive of GST)		(672,661)	(501,470)
Net cash used in operating activities	18	(642,364)	(501,470)
Cash flows from investing activities			
Payment for exploration Option		-	(20,000)
Payments for deposits		(50,000)	-
Payments for equipment		(3,681)	-
Payments for exploration and evaluation		(604,173)	(109,904)
Net cash used in investing activities		(657,854)	(129,904)
Cash flows from financing activities			
Proceeds from issue of shares		922,444	5,000,000
Payments for capital raising costs		(37,040)	(418,482)
Proceeds from convertible notes		-	620,000
Net cash provided by financing activities		885,404	5,201,518
Net increase/(decrease) in cash and cash equivalents		(414,814)	4,570,144
Cash and cash equivalents at the beginning of the financial period		4,570,907	763
Cash and cash equivalents at the end of the financial period	6	4,156,093	4,570,907

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Osmond Resources Limited as an individual entity. The financial statements are presented in Australian dollars, which is Osmond Resources Limited's functional and presentation currency.

Osmond Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2
480 Collins Street
Melbourne VIC 3000

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements. The financial report was authorised for issue, in accordance with a resolution of the Directors, on the date of the signing of the Directors' declaration.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared on an accrual basis under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Restatement of comparatives
There can be a restatement of comparatives through either a correction of error, a change in accounting policy or a reclassification.

Note 2. Significant accounting policies (continued)

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue
Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2. Significant accounting policies (continued)

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

Trade and other receivables
Trade receivables and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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

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

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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

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

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 2. Significant accounting policies (continued)

Exploration and evaluation assets
Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and:

- It is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- Exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off or impaired.

Impairment
The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that its carrying amount may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the profit and loss.

Provisions
Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits
Wages and salaries, annual leave and sick leave
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 2. Significant accounting policies (continued)

Other long-term employee benefits
When the liability for annual leave and long service leave are not expected to be settled within 12 months of the reporting date are deemed to be Other long-term employee benefits and therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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

Note 2. Significant accounting policies (continued)

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

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

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

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

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2023. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Operating segments (continued)

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 61 for further information.

Income tax
The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 4. Expenses

	2023 $	2022 $
Loss before income tax includes the following expenses:		
Superannuation expense (defined contribution)	27,855	16,756

Note 5. Income tax expense

	2023 $	2022 $
Income tax expense		
Current tax	(152,232)	(225,689)
Deferred tax expense	152,232	225,689
	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	830,449	859,506
Tax at the statutory tax rate of 25% (2022: 25%)	207,612	214,877
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	(36,750)	(90,000)
IPO costs	-	(47,290)
IPO and capital raising costs – black hole eligibility	-	151,910
Other non-deductible items	(18,630)	(3,808)
	152,232	225,689
Deferred tax in respect of current year tax losses and temporary differences	(152,232)	(225,689)
Income tax expense	-	-

Deferred tax assets not recognised
Deferred tax assets not recognised comprises temporary differences attributable to:

	2023 $	2022 $
Tax Losses	455,573	143,046
Temporary differences	(103,129)	82,893
Total deferred tax assets not recognised	352,444	225,939

Note 6. Current assets - cash and cash equivalents

	2023 $	2022 $
Cash at bank	4,156,093	4,570,907

Note 7. Current assets - trade and other receivables

	2023 $	2022 $
Interest receivable	21,150	-
GST receivable	16,882	33,728
	38,032	33,728

Due to the short-term nature of the receivables, their carrying value is assumed to approximate their fair value. Given the nature of the receivables as detailed, exposure to credit risk is not considered material.

Note 8. Current assets – other financial assets

	2023 $	2022 $
Other financial assets – bank guarantees	50,000	-

Note 9. Non-current assets - exploration and evaluation

	2023 $	2022 $
Exploration and evaluation - at cost	1,328,377	724,204

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration and evaluation $	Total $
Balance at 30 June 2022	724,204	724,204
Additions	604,173	604,173
Balance at 30 June 2023	1,328,377	1,328,377

Note 10. Current liabilities - trade and other payables

	2023 $	2022 $
Trade payables	18,483	19,410
Other payables	25,792	16,023
Accrued expenses	74,101	49,000
	118,376	84,433

Note 11. Equity - issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	56,155,562	49,566,676	6,368,769	5,493,128

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	30 July 2021	16,100,001		1,610
Issue of shares – Option fees	October 2021	400,000	$0.10	40,000
Issue of shares – Option fees	February 2022	300,000	$0.10	30,000
Issue of shares – Convertible Notes	April 2022	5,166,675	$0.12	620,000
Issue of shares – Projects acquired	April 2022	2,600,000	$0.20	520,000
Issue of shares – IPO	April 2022	25,000,000	$0.20	5,000,000
Capital raising costs				(718,482)
Balance	30 June 2022	49,566,676		5,493,128
Issue of shares – Rights issue	20 June 2023	6,588,886	$0.14	922,444
Capital raising costs				(46,803)
Balance	30 June 2023	56,155,562		6,368,769

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

Note 12. Reserves

	2023 $	2022 $
Share based payments reserve	807,000	660,000

Reconciliations
Movements in reserves are set out below:

	Share-based payments $	Total $
Balance at 30 June 2022	660,000	660,000
Options issued	147,000	147,000
Balance at 30 June 2023	807,000	807,000

Set out below are summaries of options granted:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
04/02/2022	22/04/2025	$0.25	3,000,000	-	-	-	3,000,000
22/02/2022	22/04/2025	$0.25	2,500,000	-	-	-	2,500,000
01/07/2022	30/06/2025	$0.35	-	1,250,000	-	-	1,250,000
20/02/2023	30/11/2025	$0.30	-	200,000	-	-	200,000
			5,500,000	1,450,000	-	-	6,950,000
Weighted average exercise price			$0.25	$0.34	-	-	$0.27

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2023 Number	2022 Number
04/02/2022	22/04/2025	3,000,000	3,000,000
22/02/2022	22/04/2025	2,500,000	2,500,000
01/07/2022	30/06/2025	1,250,000	-
20/02/2023	30/11/2025	200,000	-
		6,950,000	5,500,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.87 years (2022: 2.82 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2022	30/06/2025	$0.19	$0.35	100.00%	n/a	3.16%	$0.10
20/02/2023	30/11/2025	$0.20	$0.30	100.00%	n/a	3.49%	$0.11

Note 13. Financial instruments

Financial risk management objectives

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

Risk management is carried out by the Board. The policies employed to mitigate risk include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits.

Market risk

Price risk
The Company is not exposed to any significant price risk.
Interest rate risk
The Company is not exposed to any significant interest rate risk.
Foreign currency risk
The Company is not exposed to any significant foreign currency risk.
Credit risk
The Company is not exposed to any significant credit risk.

Note 14. Key management personnel disclosures

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

	2023 $	2022 $
Short-term employee benefits	365,493	176,678
Post-employment benefits	32,257	14,725
Share-based payments	-	300,000
	397,750	491,403

Related Party Transactions
During the year, the Company incurred an expense of $14,636 (2022: $nil) for office rent provided by Jade Gas Pty Ltd, a director related entity of Mr Dan Eddington. The rent provided was based on commercial market terms and conditions.

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	2023 $	2022 $
Audit services – RSM Australia Partners		
Audit or review of financial statements	28,000	28,000
Other services - RSM Australia Partners		
Investigating accountant's report	-	6,500
	28,000	34,500

Note 16. Commitments

The Company pays minimal annual licence and lease fees related to its tenements. These payments are discretionary; however, the Company intends to make these payments and maintain the licences in good standing.

Note 17. Events after the reporting period

On 10 July 2023, the Company issued 7,207,145 Ordinary Shares arising from the shortfall under a rights issue, at a price of 14 cents each, raising $1,009,000 before costs.

On 10 July 2023, the Company issued 1,739,000 Options, exercisable at 25 cents on or before 10 July 2026, to the lead manager of the rights issue for capital raising costs.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 18. Reconciliation of loss after income tax to net cash from operating activities

	2023 $	2022 $
Loss after income tax expense for the year	(830,449)	(859,506)
Adjustments for:		
Depreciation	877	-
Share-based payments - Options	147,000	360,000
Change in operating assets and liabilities:		
Increase in trade and other receivables	(4,304)	(33,192)
(Decrease)/increase in prepayments	474	(43,711)
Increase in trade and other payables	24,180	73,233
Increase in employee benefits	19,858	1,706
Net cash used in operating activities	(642,364)	(501,470)

Note 19. Earnings per share

	2023 $	2022 $
Earnings per share for profit from continuing operations		
Loss after income tax	(830,449)	(859,506)

	No. of Shares	No. of Shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	49,765,245	23,268,039

	Cents	Cents
Basic (loss)/earnings per share	(1.67)	(3.69)
Diluted (loss)/earnings per share	(1.67)	(3.69)

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

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

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew Shearer
Executive Director

26 September 2023
Melbourne

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Osmond Resources Limited

Opinion

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

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

i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Matters (continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Exploration and evaluation assets
Refer to Note 9 in the financial statements</td></tr>
<tr><td>As at 30 June 2023, the carrying value of the Company’s capitalised Exploration and evaluation assets amounted to $1,331,181. We determined this to be a key audit matter due to the significance of these assets in the statement of financial position. Also, there are significant management estimates and judgements involved in assessing the carrying value in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (‘AASB 6’), including:

Determination of whether expenditure can be associated with the exploration for and evaluation of mineral resources, and the basis on which that expenditure is allocated to an area of interest;
Assessment of whether the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation or sale of the area of interest; and
Assessment as to whether indicators of impairment exist, and if so, the judgements applied to determine and quantify any impairment loss.
</td><td>Our audit procedures in relation to the carrying value of Exploration and evaluation assets included:

Reviewing the Company’s accounting policy in relation to exploration and evaluation expenditure to confirm it is in accordance with AASB 6;
Agreeing a sample of additions to supporting documentation to ensure that the amounts were capital in nature and in line with the Company’s accounting policy;
Critically assessing and evaluating management’s assessment that no indicators of impairment existed as at 30 June 2023;
Inquiring with management and reviewing budgets and plans to determine that the company will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific areas of interest;
Reviewing the rights to tenure of the areas of interest remain current at the reporting date, and confirmed that rights to tenure are expected to be renewed for tenements that will expire in the near future;
Discussion with management and a review of ASX announcements, minutes of directors’ meetings and other relevant documentation, to assess management’s determination that exploration activities have not yet progressed to the point where the existence or otherwise of an economically viable mineral resource may be determined; and
Reviewing the related disclosures included in the financial report for their adequacy and completeness.
</td></tr>
</table>

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 35 to 39 of the directors' report for the year ended 30 June 2023.

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

Report on the Remuneration Report (continued)

Responsibilities

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

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Melbourne, Victoria
26 September 2023

Osmond Resources Limited
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 11 September 2023.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Ordinary shares Number of holders	% of total shares issued
1 to 1,000	6	0.00
1,001 to 5,000	24	0.12
5,001 to 10,000	32	0.47
10,001 to 100,000	121	10.96
100,001 and over	134	88.45
	317	100.00

There were 27 shareholders holding less than a marketable parcel.

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
FERNDALE SECURITIES PTY LTD	3,000,000	4.73
VALAS INVESTMENTS PTY LTD	2,568,000	4.05
GOODHEART PTY LTD	2,509,517	3.96
SCOR GO LUATH LIMITED	2,300,000	3.63
JULIA ANN HALL	2,300,000	3.63
SEAMIST ENTERPRISES PTY LTD	2,300,000	3.63
CHEMBANK PTY LIMITED	2,250,000	3.55
DANIEL EDDINGTON & JULIE EDDINGTON	1,533,333	2.42
GP SECURITIES PTY LTD	1,333,333	2.10
HARDY ROAD INVESTMENTS PTY LTD	1,321,430	2.09
DACAMA PTY LTD	1,150,000	1.81
FOWLER RESOURCES PTY LTD	1,100,000	1.74
INVESTIGATOR RESOURCES LIMITED	1,100,000	1.74
MR JOSEPH PATRICK BURKE	933,333	1.47
PROVIDENCE GOLD AND MINERALS PTY LTD	912,409	1.44
CANE ASSET MANAGEMENT PTY LTD	895,777	1.41
MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN	736,356	1.16
JAWAF ENTERPRISES PTY LTD	700,000	1.10
CITICORP NOMINEES PTY LIMITED	700,000	1.10
MR ZACHARY PURTON	666,666	1.05
SOUTTAR SUPERANNUATION PTY LTD	666,666	1.05
SEVENTY THREE PTY LTD	600,000	0.95
	31,576,820	49.84
Total Issued Capital	63,362,707	100.00

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	8,689,000	11

There are 16,466,668 unquoted ordinary shares restricted.

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Joseph Burke	3,400,000	5.37
Adrien and Michelle Wing	3,458,334	5.46

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Interests in Mining Tenements

In accordance with ASX Listing Rule 5.20, Osmond Resources Limited provides its list of exploration licences as at 30 June 2023:

Project/Tenement	Location	Interest at 30 June 2023	Joint venture Partner/ Farm-in Partner/Farm-Out Partner
Yumbarra Project			
EL6417	South Australia	51%	Fowler Resources Pty Ltd Earning 80%
Tallacootra Project			
EL6615	South Australia	0%	Fowler Resources Pty Ltd Earning 80%
Fowler Project			
EL6603 and EL6604	South Australia	0%	Kimba Resources Pty Ltd, a wholly owned subsidiary of Investigator Resources Pty Ltd (ASX:IVR). Earning 80%
Coorabie Project			
EL6692	South Australia	0%	Fowler Resources Pty Ltd. Earning 80%
Sandford Project			
EL6958	Victoria	51%	Providence Gold and Minerals Pty Ltd. Earning 80%
Salt Wells Project			
Consists of 276 mineral claims	Nevada, USA	0%	Earning up to 80% by Deed of Assumption with 5E Advanced Materials, Inc. (ASX:5EA)