Iltani Resources Limited

ABN 21 649 345 308

2023 Annual Report - 30 June 2023

Iltani Resources Limited
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Directors	Mr Donald Garner (Managing Director) Mr Anthony Reilly (Non-Executive Director) Mr Justin Mouchacca (Non-Executive Director)
Company secretary	Mr Justin Mouchacca
Registered office	Level 21, 459 Collins Street Melbourne, VIC 3000 Ph: (03) 8630 3321
Principal place of business	Level 21, 459 Collins Street Melbourne, VIC 3000
Share Register	Automic Registry Services Level 5 126 Philip Street Sydney NSW 2010 Ph: (02) 9698 5414
Auditor	William Buck Level 20, 181 William Street Melbourne, VIC 3000
Stock exchange listing	Iltani Resources Limited shares are listed on the Australian Securities Exchange (ASX code: ILT)

Iltani Resources Limited
Chairman Letter
30 June 2023

Dear Fellow Shareholder,

It gives me great pleasure to present the 2023 Annual Report for Iltani Resources Limited (ASX: ILT), our first since completing an Initial Public Offer (IPO) raising A$5 million and listing on the Australian Securities Exchange (ASX) in June 2023.

Following the formation of Iltani, in early 2021, our team assembled (through application and acquisition) a portfolio of highly prospective projects in Queensland and Tasmania, including what we believe to be Australia's most exciting silver exploration project at Orient, part of our Herberton project in northern Queensland. The Herberton project also includes the Isabel and Isabel Extended which are polymetallic massive sulphide prospects as well as the Antimony Reward high-grade antimony vein prospect.

Immediately following the IPO, we commenced exploration at Orient with a Stage 1 reverse circulation drilling program – the first time the project has seen drilling in 35 years – and we are focusing on its potential for, not only silver, but lead, zinc, indium, and antimony mineralisation. In parallel with the drilling, we undertook a detailed mapping and sampling program across the Herberton project to define new targets.

In addition to our Queensland projects, which also comprise the Northern Base Metals, Rookwood and Southern Gold projects, the Company lodged an application for a highly strategic 99km^2 exploration licence in Tasmania's Mt Read Volcanics (MRV) Belt (Mt Read Project), located between the world-class Rosebery and Hellyer-Que River volcanic hosted massive sulphide (VHMS) deposits. We are confident this licence will be granted in the coming months, providing us with additional exciting exploration opportunities in a renowned geological region.

I am immensely proud of what Iltani has achieved in a brief period of time since inception, and I would like to thank Shareholders for your support in enabling us to complete the public offer. I also thank our management and consultants for all their hard work and commitment in achieving the listing, and immediately executing our maiden drilling program. I also thank my fellow Directors for their efforts and guidance over the past 24 months and I know we are all keen to continue Iltani's momentum and deliver value to our Shareholders.

With a strategy in place to deliver exploration success in the coming year and further ahead, I look forward to seeing what we can achieve across our project portfolio, and I hope you will continue on this journey with us.

Anthony Reilly
Non-Executive Chairman

Iltani Resources Limited
Review of Operations
30 June 2023

Operations Review

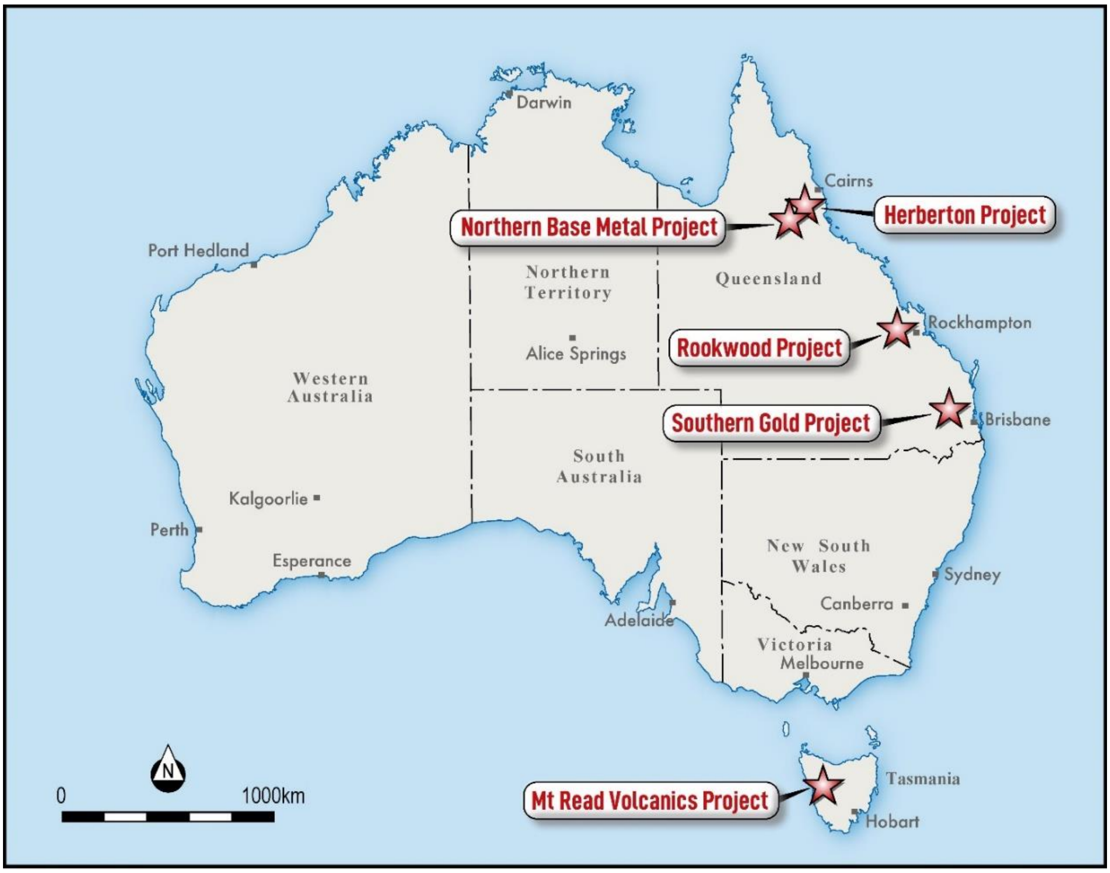
In the 12 months to 30 June 2023, Iltani took multiple transformational steps which culminated in a successful Initial Public Offer (IPO) on the Australian Stock Exchange (ASX) on 30 June 2023 (ASX:ILT).

- Raised $1,161,000 in seed capital between November 2021 and February 2023;
- Iltani acquired the Herberton Project from the liquidators of Cromarty Resources Pty Ltd in December 2022 for $380,000;
- Iltani lodged an application (ELA33/2022) over an area of highly prospective ground in the Mount Read Volcanic Belt in Tasmania located along strike (between) the world class Rosebery and Hellyer/Que River volcanic hosted massive sulphide deposits; and
- Completed a successful IPO on the ASX, raising A$5 million, and trading commenced on 30 June 2023

Iltani Project Portfolio

Since 2021, Iltani Resources (ASX: ILT) has built, through application and acquisition, a portfolio of highly attractive critical mineral and base metals exploration and development projects in Queensland and Tasmania (Figure 1).

Figure 1: Iltani's projects in Queensland and Tasmania.



Herberton Project

Iltani acquired the Herberton Project (consisting of EPM 27168, EPM 27221, EPM 27223 & EPM 27731) from the liquidators of Cromarty Resources Pty Ltd. in December 2022 for $380,000. The Herberton Project is located in Northern Queensland and includes the Orient epithermal and porphyry projects, the Isabel and Isabel Extended polymetallic massive sulphide projects and the Antimony Reward high-grade antimony vein project.

Iltani believes that Orient is Australia's most exciting silver exploration project, with both high-grade & bulk tonnage silver-lead-zinc-indium-antimony vein systems at Orient East and West. Recent geophysical exploration (2021) delineated a large-scale geophysical anomaly underlying the vein systems at Orient East and West, which could be representative of a deeper intrusive/porphyry system.

Mineralisation in the Orient project area was discovered in 1886 and mined until 1924, with historic mining activities occurring at both Orient West and Orient East, approximately 2km apart. Mining was conducted intermittently on lodes continuing for more than 600m at Orient East and mineralised veins have been mapped over more than 900m at Orient West.

Isabel is a high-grade polymetallic massive sulphide deposit which is Australia's highest grade known indium resource. Indium is one of the 26 'critical minerals' identified by the Australian Trade and Investment Commission due to a combination of geological scarcity and supply chain risk, and these minerals' importance to economic vitality.

Northern Base Metal Project

The Northern Base Metal Project (EPM 27934) was granted to Iltani in March 2022. EPM 27934 contains two high priority base metal targets, where previous exploration has identified high grade polymetallic and copper rich mineralisation.

CRA discovered high grade polymetallic (Cu-Pb-Zn-Ag) mineralisation at Mt Mist in 1994. To date, drilling has intersected two massive sulphide lenses at or near contact between meta sedimentary sequence and granite/granodiorites. To date, there have been four drill intercepts in Lens 1 including 9m @ 1.2% Cu, 8.0% Pb, 12.6% Zn & 101 g/t Ag from 33m down hole and four drill intercepts in Lens 2 including 22m @ 0.5% Cu, 3.1% Pb, 5.1% Zn & 52 g/t Ag from 93m downhole. The last drilling was completed in [2012] and both lenses are open at depth and strike.

CRA also completed a drilling program at Frewhurst in 1995 targeting multiple quartz copper sulphide vein systems hosted in granite. The CRA drilling returned the following material intersections (open at depth & strike): RC95FR9 (3m @ 5.8% Cu, 1.0% As & 136 g/t Ag from 31m) and RC95FR1 (1m @ 1.7% Cu, 0.1% As & 24 g/t Ag from 49m).

Rookwood Project

Iltani holds four exploration tenements (EPM 27919, EPM 27927, EPM 27929 and EPM 27930) covering the central and southern Rookwood Volcanic Belt (RVB) target in Central Queensland. The RVB hosts volcanic hosted massive sulphide (VHMS) mineralisation, with a JORC 2012 resource of 3.2Mt @ 1.05% Cu, 1.22% Zn & 5 g/t Ag defined at the Develin Creek cluster of deposits (note – Iltani does not hold Develin Creek) in the northern part of the RVB. Iltani believes that there is significant potential to find additional copper-rich VHMS deposits in the central and southern parts of the Rookwood Volcanic Belt.

Southern Gold Project

The Southern Gold Project consists of EPM 27882 and is located in Southern QLD. The project contains two high priority gold targets, Nukinenda Dyke and Mt Langan.

Mt Langan is a probable high sulphidation epithermal target with extensive sericitic and propylitic alteration zones, breccia pipes and alunite in float. Nine drill holes have been completed with notable results being PDH7 (2m @ 0.8 g/t Au & 83 g/t Ag, from 32.0m down hole) and PDH8 (4m @ 0.2 g/t Au & 33 g/t Ag, from 34.0m down hole).

Nukinenda Dyke is a diorite dyke, strike length of greater than 2km, 3.5 – 11.5m thick & a dip of 60-65° and contains gold hosted in quartz arsenopyrite veins. An exploration program (mapping, sampling, costeaning and shallow drilling) was carried out by Pensacola and Marlborough Gold mines in 1987/1988. Drilling returned the following notable results: NR6 (10m @ 2.5 g/t Au, from 32.0m down hole) and NC13 (11m @ 4.1 g/t Au, from 43.0m downhole). The mineralisation is open at depth and represents a high priority drill target.

Mt Read Volcanics Project

During 2022, Iltani lodged an application (EL33/2022) for a highly strategic 99km^2 licence in Tasmania's Mt Read Volcanics (MRV) Belt (Mt Read Project), located between the world-class Rosebery and Hellyer-Que River volcanic hosted massive sulphide (VHMS) deposits.

Table 1 Iltani Tenement Holding (as at 20 September 2023)

Tenement	Name	Location	Grant Date	Expiry Date	Current Interest
EPM 27168	Herberton	Australia (QLD)	20 Feb 2020	19 Feb 2025	100%
EPM 27221	Isabel	Australia (QLD)	14 April 2020	13 April 2025	100%
EPM 27223	Orient	Australia (QLD)	31 March 2020	30 March 2025	100%
EPM 27731	Wade Creek	Australia (QLD)	3 August 2021	2 August 2026	100%
EPM 27934	Northern Base Metal	Australia (QLD)	7 March 2022	6 March 2027	100%
EPM 27919	Rookwood 01	Australia (QLD)	16 June 2022	15 June 2027	100%
EPM 27927	Rookwood 02	Australia (QLD)	27 July 2021	26 July 2026	100%
EPM 27929	Rookwood 03	Australia (QLD)	15 Sept 2022	14 Sept 2027	100%
EPM 27930	Rookwood 04	Australia (QLD)	15 Sept 2022	14 Sept 2027	100%
EPM 27882	Southern Gold	Australia (QLD)	27 Jan 2022	26 Jan 2027	100%
ELA33/2022	Mount Read Volcanics	Australia (TAS)	Application	-	100%
EPM 28899	Boonmoo Extension	Australia (QLD)	Application	-	100%

The directors present their report, together with the financial statements, on the company for the period 30 June 2023.

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

Mr Donald Garner (Managing Director)
Mr Anthony Reilly (Non-executive Director)
Mr Justin Mouchacca (Non-executive Director and Company Secretary)

Principal activities
The Company is focused on building a portfolio of exploration and development projects with a fundamentals-driven bias to the raw materials the world needs to realise a clean energy future.

The Company aims to progress from an explorer to a producer – subject to the outcome of its exploration activities, technical studies and the availability of funding.

While the Company's immediate focus will be on the Queensland Projects, the Company will also assess potential new business opportunities in the resources sector that align with the Company's strategy, as they may arise from time to time.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the company after providing for income tax amounted to $1,693,306 (30 June 2022: $322,347).

Significant changes in the state of affairs
On 12 December 2022 the Company issued 1,565,000 fully paid ordinary shares with an issue price of $0.16 (16 cents) per share raising $250,400.

During December 2022 the Company acquired the Herberton Project from Cromarty Resources Pty Ltd (Cromarty) (in liquidation) pursuant to a sale and purchase agreement dated 12 December 2022 for $380,000 in cash (excluding GST), which consisted of 4 granted exploration licences.

On 15 February 2023, the Company issued 1,597,500 fully paid ordinary shares with an issue price of $0.16 (16 cents) per share, raising $255,600.

On 5 May 2023 the Company lodged a Prospectus with the Australian Securities and Investments Commission (ASIC) in relation to its proposed Initial Public Offering (IPO) on ASX. The Prospectus sought to raise $5 million through the issue of 25 million fully paid ordinary shares with an issue price of $0.20 (20 cents) per share.

On 22 June 2023, the Company issued 25 million fully paid ordinary shares (Shares) raising $5 million in accordance with its IPO Prospectus. The Company also issued 625,000 Shares and 13,000,000 unlisted options to Directors and 2,400,000 unlisted options to the Lead Managers.

On 28 June 2023 the Company was admitted to the ASX official list and commenced trading on 30 June 2023.

Other than outlined above, there were no significant changes in the state of affairs of the company during the period.

Matters subsequent to the end of the financial year
No 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
During the financial period, the Company completed its IPO on ASX and raised $5,000,000. The success of the Company will depend on exploration activities proposed to be carried out on the Company's projects areas of interest which have been acquired or granted to the Company.

The Company will continue to conduct exploration activities at its project areas and these activities will include drilling, assay, metallurgical test work and, if warranted, scoping level feasibility.

Business risk management
The Company is committed to the effective management of risk to reduce uncertainty in the Company's business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Company's strategic objectives and future prospects.

Key risks and mitigation activities associated with the Company's objectives are set out below:

Exploration risk
The Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.

In addition, the tenements forming the projects of the Company may include various restrictions excluding, limiting or imposing conditions upon the ability of the Company to conduct exploration activities. While the Company will formulate its exploration plans to accommodate and work within such access restrictions, there is no guarantee that the Company will be able to satisfy such conditions on commercially viable terms, or at all.

The Company uses a number of exploration techniques in order to reduce the level of exploration risks and continues to explore new and innovative technologies through its day to day operations.

Regulatory risk
The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority or whether the Company will be able to meet the conditions of renewal on commercially reasonable terms, if at all.

The Company works with local government and mining departments to ensure it meets the required level of reporting requirements and to reduce any potential for breach of regulatory requirements.

Future funding risk
The Company has no operating revenue and is unlikely to generate any operating revenue in the foreseeable future. Exploration and development costs and pursuit of its business plan will use funds from the Company's current cash reserves and the amount raised under the Equity Offer.

The development of one or more of its projects may require the Company to raise capital in excess of the funds proposed to be raised under the Equity Offer.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern. The Company's funding requirements are reviewed on a regular basis in order to mitigate future funding risk.

Environmental regulation
The Company holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

Information on directors

Name:	Mr Donald Garner
Title:	Executive Director
Qualifications:	BSc (Hons) MSc FGS MSEG MAusIMM
Experience and expertise:	A geologist with over 25 years' experience in the resources sector. Donald's previous role was with Red River Resources (RVR) (2014-2021) where he was an Executive Director and was responsible for strategy and business development. He transformed RVR into a $150m ASX listed company with a portfolio of operating assets (Thalanga and Hillgrove) and exploration projects. Prior to RVR, he held senior executive roles in the resource sector and worked in corporate finance (Metals & Mining, Deutsche Bank, London). He has worked as an exploration and mining geologist in Western Australia, Russia and Myanmar.
Other current directorships:	Great Northern Minerals (ASX:GNM)
Former directorships (last 3 years):	Red River Resources Ltd (ASX:RVR)
Interests in shares:	3,050,000 fully paid ordinary shares
Interests in options:	2,400,000 options exercisable at $0.30 on or before 22 June 2026 3,350,000 options exercisable at $0.40 on or before 22 June 2027
Interests in rights:	None

Name:	Mr Anthony Reilly
Title:	Non-Executive Director
Qualifications:	BEc
Experience and expertise:	Highly experienced mining & finance professional with over 30 years' experience in the resource and corporate finance sector. Anthony's previous role was Executive Director of Venturex Resources (VXR) (2017-2021), and in prior roles, he has held executive and non-executive positions with VXR (Now DVP), Hawkley Oil and Gas, Paradigm Metals and CMG Gold Pty Ltd. Anthony also has 20 years' experience in the banking sector including Head of Institutional FX Sales (London) and Head of Institutional FX Sales (Global Hedge Funds) for Westpac.
Other current directorships:	Felix Gold Limited (ASX:FXG)
Former directorships (last 3 years):	Venturex Resources (ASX:VXR)
Interests in shares:	445,000 fully paid ordinary shares
Interests in options:	2,000,000 options exercisable at $0.30 on or before 22 June 2026 2,000,000 options exercisable at $0.40 on or before 22 June 2027
Interests in rights:	none

Name:	Mr Justin Mouchacca
Title:	Non-Executive Director
Qualifications:	B. Comm (Acc), CA, FGIA
Experience and expertise:	Justin holds a Bachelor of Business majoring in accounting and was previously the principal of chartered accounting firm, which provided outsourced company secretarial and accounting services to public and private companies specialising in the resources, technology, bioscience and biotechnology sectors. Justin has 15 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, implementation of corporate governance, statutory financial reporting, reorganisation of companies and shareholder relations.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	200,000 fully paid ordinary shares
Interests in options:	1,500,000 options exercisable at $0.30 on or before 22 June 2026 1,500,000 options exercisable at $0.40 on or before 22 June 2027

'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.

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

	Full Board	
	Attended	Held
Mr Donald Garner	3	3
Mr Anthony Reilly	3	3
Mr Justin Mouchacca	3	3

Held: represents the number of meetings held during the time the director held office.

Due to the size and nature of the Company, the Board fulfills the role of both the Audit & Risk and Nomination and Remuneration 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:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having financial performance as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value

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

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 1 December 2022, where the shareholders approved a maximum annual aggregate remuneration of $500,000.

Executive remuneration
The company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has two components:
- base pay and non-monetary benefits
- share-based payments

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the company and comparable market remunerations.

The long-term incentives ('LTI') include share-based payments. During the financial period to 30 June 2023, there were options issued to directors which formed part of their remuneration.

The Company did not use any external remuneration consultants during the financial period.

Company performance and link to remuneration
The remuneration of directors and executives are not linked to the performance, share price or earnings of the Company.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the company are set out in the following tables.

The key management personnel of the company consisted of the following directors of the company:
- Mr Donald Garner (Managing Director)
- Mr Anthony Reilly (Non-executive Director)
- Mr Justin Mouchacca (Non-executive Director)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 June 2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Anthony Reilly	583	-	-	-	-	437,007	437,590
Justin Mouchacca	412	-	-	-	-	340,255	340,667
Executive Directors:							
Donald Garner	1,668	-	-	-	-	607,906	609,574
	2,663	-	-	-	-	1,385,168	1,387,831

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	30 June 2023	for the period 9 April 2021 to 30 June 2022	30 June 2023	for the period 9 April 2021 to 30 June 2022	30 June 2023	for the period 9 April 2021 to 30 June 2022
Non-Executive Directors:						
Anthony Reilly	-	-	-	-	100%	-
Justin Mouchacca	-	-	-	-	100%	-
Executive Directors:						
Donald Garner	-	-	-	-	100%	-

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:	Mr Donald Garner
Title:	Managing Director
Term of agreement:	This contract will continue from commencement date until terminated.
Details:	Mr Garner will be remunerated at $200,000 per annum (plus superannuation). The contract may be terminated any time with 3 months' written notice being provided by either the Company or Mr Garner. Upon expiration of the term the contract may be renewed by mutual agreement.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Date	Shares	Issue price	$
Donald Garner	28 June 2023	250,000	$0.20	50,000
Anthony Reilly	28 June 2023	250,000	$0.20	50,000
Justin Mouchacca	28 June 2023	125,000	$0.20	25,000

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:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
22/06/2023	22/06/2023	22/06/2026	$0.30	$0.090
22/06/2023	22/06/2023	22/06/2027	$0.40	$0.100

Options granted carry no dividend or voting rights.

Additional information

The earnings of the company for the two years to 30 June 2023 are summarised below:

	30 June 2023 $	9 April 2021 to 30 June 2022 $
Loss before income tax	(1,693,306)	(322,347)

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					
Donald Garner	2,800,000	250,000	-	-	3,050,000
Anthony Reilly	-	250,000	-	-	250,000
Justin Mouchacca	-	125,000	-	-	125,000
	2,800,000	625,000	-	-	3,425,000

Option 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 as remuneration	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Donald Garner	-	6,000,000	-	-	6,000,000
Anthony Reilly	-	4,000,000	-	-	4,000,000
Justin Mouchacca	-	3,000,000	-	-	3,000,000
	-	13,000,000	-	-	13,000,000

Loans to key management personnel and their related parties

There were no loans to Key Management Personnel at any time during the financial period.

Other transactions with key management personnel and their related parties

JM Corporate Services Pty Ltd, an entity related to Mr Justin Mouchacca, was paid $19,800 for Company Secretarial and Accounting services provided to the Company.

All fees and services noted above were conducted on an arm's length basis.

This concludes the remuneration report, which has been audited.

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

Grant date	Expiry date	Exercise price	Number under option
22 June 2023	22 June 2026	$0.30	6,000,000
22 June 2023	22 June 2026	$0.40	7,000,000
22 June 2023	22 June 2026	$0.40	2,400,000
			15,400,000

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.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

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.

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.

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 12 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 12 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 (including Independence Standards) 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.

Officers of the company who are former partners of William Buck
There are no officers of the company who are former partners of William Buck.

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.

On behalf of the directors

Donald Garner
Managing Director

28 September 2023

WilliamBuck
ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ILTANI RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
Melbourne, 28 September 2023

Level 20, 181 William Street, Melbourne VIC 3000
+61 3 9824 8555
vic.info@williambuck.com
williambuck.com.au

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

	Note	30 June 2023 $	for the period 9 April 2021 to 30 June 2022 $
Expenses			
Corporate and administrative expenses		(181,981)	(217,234)
IPO costs		(113,290)	(55,198)
Tenement management		(12,868)	(49,915)
Share based payment expense		(1,385,167)	-
Loss before income tax expense		(1,693,306)	(322,347)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Iltani Resources Limited		(1,693,306)	(322,347)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Iltani Resources Limited		(1,693,306)	(322,347)
		Cents	**Cents**
Basic earnings per share	18	(11.61)	(3.62)
Diluted earnings per share	18	(11.61)	(3.62)

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

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

	Note	30 June 2023 $	30 June 2022 $
Assets			
Current assets			
Cash and cash equivalents		5,009,779	172,488
Goods and services tax credits and other receivables	5	68,560	71,865
Prepayments		53,308	-
Total current assets		5,131,647	244,353
Non-current assets			
Exploration and evaluation	6	634,711	88,986
Total non-current assets		634,711	88,986
Total assets		5,766,358	333,339
Liabilities			
Current liabilities			
Trade and other payables	7	621,808	39,286
Total current liabilities		621,808	39,286
Total liabilities		621,808	39,286
Net assets		5,144,550	294,053
Equity			
Issued capital	8	5,705,792	616,400
Reserves		1,454,411	-
Accumulated losses		(2,015,653)	(322,347)
Total equity		5,144,550	294,053

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

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

	Issued capital $	Accumulated losses $	Total equity $
Balance at 9 April 2021	-	-	-
Loss after income tax expense for the year	-	(322,347)	(322,347)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(322,347)	(322,347)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 8)	616,400	-	616,400
Balance at 30 June 2022	616,400	(322,347)	294,053

	Issued capital $	Share based payment $	Accumulated losses $	Total equity $
Balance at 1 July 2022	616,400	-	(322,347)	294,053
Loss after income tax expense for the year	-	-	(1,693,306)	(1,693,306)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,693,306)	(1,693,306)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 8)	5,283,636	-	-	5,283,636
Share-based payments (note 19)	(194,244)	1,454,411	-	1,260,167
Balance at 30 June 2023	5,705,792	1,454,411	(2,015,653)	5,144,550

The above statement of changes in equity should be read in conjunction with the accompanying notes

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

	Note	30 June 2023 $	for the period 9 April 2021 to 30 June 2022 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(123,706)	(358,171)
Net cash used in operating activities	17	(123,706)	(358,171)
Cash flows from investing activities			
Payments for exploration and evaluation costs	6	(114,721)	(85,741)
Payments for acquisition of projects		(380,000)	-
Net cash used in investing activities		(494,721)	(85,741)
Cash flows from financing activities			
Proceeds from issue of shares	8	5,506,000	656,000
Payments for capital raising costs		(50,282)	(39,600)
Net cash from financing activities		5,455,718	616,400
Net increase in cash and cash equivalents		4,837,291	172,488
Cash and cash equivalents at the beginning of the financial year		172,488	-
Cash and cash equivalents at the end of the financial year		5,009,779	172,488

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

Note 1. General information

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

Iltani 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 21, 459 Collins Street
Melbourne, VIC 3000
Ph: (03) 8630 3321

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 statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2023. The directors have the power to amend and reissue the financial statements.

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 or available for early adoption in the current reporting period. There has been no material impact on these financial statements arising from their adoption.

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').

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.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

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 company'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.

Deferred tax assets and liabilities are always 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
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

At this stage all of the company's projects are in the exploration phase, which has only a minimal disturbance to the underlying areas of interest and for which the company rehabilitates as it conducts its exploration activity

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

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.

Note 2. Significant accounting policies (continued)

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.

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.

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 Iltani 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. 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.

Recovery of deferred tax assets

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

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, consultants and suppliers 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 the Black Scholes model taking into account the terms and conditions upon which the instruments were granted. A significant judgement comes from the expected price volatility of the underlying share. 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Recognition and measurement of equity raising costs
Refer to Note 8 for details of the consolidated entity's accounting policy of recognising and measuring equity raising costs.

The directors have applied judgement when accounting for costs which relate to both the issuance of shares and the stock market listing, which are required to be allocated between those functions on a rational and consistent basis.

In the absence of a more specific basis of apportionment, which has typically been the case for such costs incurred by the consolidated entity, the directors have applied judgement to allocate common costs based on the proportion of new shares issued as part of the stock marketing listing to the total number of new and existing shares issued after the stock market listing.

Details of the Company's capital structure used to allocate common costs between profit or loss and costs of equity are as follows:

Detail	Number	Percentage %
Shares issued pre-stock market listing	16,162,600	38.68%
Shares issued on stock market listing	25,625,000	61.32%
	41,787,600	

Note 4. Operating segments

Identification of reportable operating segments
The Company has identified its operating segments based on the investment decisions of the board and used by the chief operating decision makers in assessing performance and in determining the allocation of resources. The Company operates in one segment being the evaluation and exploration of heavy rare earths and resources in Australia.

Note 5. Current assets - Goods and services tax credits and other receivables

	30 June 2023 $	30 June 2022 $
Goods and services tax credits receivable	68,560	20,303
Other receivables	-	51,562
	68,560	71,865

Note 6. Non-current assets - exploration and evaluation

	30 June 2023 $	30 June 2022 $
Exploration and evaluation assets	634,711	88,986

Note 6. Non-current assets - exploration and evaluation (continued)

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 9 April 2021	-	-
Expenditure during the year	88,986	88,986
Balance at 30 June 2022	88,986	88,986
Expenditure during the year	545,725	545,725
Balance at 30 June 2023	634,711	634,711

Although planned, future anticipated exploration expenditure does not constitute a commitment or contingent liability under accounting standards, in the event that planned exploration expenditure under an area of interest is not met, there is a possibility that the regulatory authority charged with administering that area of interest has the ability to rescind the rights of the Company to explore and evaluate that area of interest, but not, however enforce payment of that planned expenditure.

During December 2022 the Company acquired the Herberton Project from Cromarty Resources Pty Ltd (**Cromarty**) (in liquidation) pursuant to a sale and purchase agreement dated 12 December 2022 for $380,000 in cash (excluding GST). The Herberton Project consists of 4 granted exploration licences which includes EPM 27168 (Herberton), EPM 27221 (Isabel), EPM 27223 (Orient) and EPM 27731 (Wage Creek).

Note 7. Current liabilities - trade and other payables

	30 June 2023 $	**30 June 2022 $**
Trade creditors	300,923	21,626
Accrued expenses	320,885	17,660
	621,808	39,286

Refer to note 10 for further information on financial instruments.

Note 8. Equity - issued capital

	30 June 2023 Shares	**30 June 2022 Shares**	**30 June 2023 $**	**30 June 2022 $**
Ordinary shares - fully paid	41,787,600	13,000,100	5,705,792	616,400

Note 8. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	9 April 2021	-		-
Issue of shares to founder	17 September 2021	2,800,000	-	14,000
Issue of shares to other two founders	29 September 2021	4,200,100	$0.01	42,000
Issue of shares to seed investors	26 November 2021	6,000,000	$0.10	600,000
Capital raising costs		-	-	(39,600)
Balance	30 June 2022	13,000,100		616,400
Issue of shares to seed investors	12 December 2022	1,565,000	$0.16	250,400
Issue of shares to seed investors	15 February 2023	1,597,500	$0.16	255,600
Issue of shares for settlement of Director fees	28 June 2023	625,000	$0.20	125,000
Issue of IPO shares	28 June 2023	25,000,000	$0.20	5,000,000
Costs of issuing capital as part of the share based payments		-	-	(194,244)
Capital raising costs		-	-	(347,364)
Balance	30 June 2023	41,787,600		5,705,792

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.

Share buy-back
There is no current on-market share buy-back.

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.

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 10. Financial instruments

Financial instruments of the Company consist of cash and cash equivalents, goods and services tax credits and trade and other payables.

Financial risk management objectives
The company's activities has no exposure to price risk, interest rate risk, market risk or credit 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. Financial instruments of the company consist of cash and cash equivalents, goods and services tax credits and trade and other payables.

Liquidity risk
Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. As at period end, no amounts payable to creditors had maturity terms greater than 60 days.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

As at report date, all financial liabilities of the company had maturities of less than 60 days.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 11. Key management personnel disclosures

Directors
The following persons were directors of Iltani Resources Limited during the financial year:

Donald Garner	(Managing Director)
Anthony Rielly	(Non-executive Director)
Justin Mouchacca	(Non-executive Director and Company Secretary)

Throughout the period there were payments made to JM Corporate (an entity associated with Justin Mouchacca). Please refer to note 15.

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

	30 June 2023 $	for the period 9 April 2021 to 30 June 2022 $
Short-term employee benefits	2,663	-
Share-based payments	1,385,168	-
	1,387,831	-

Note 12. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the company:

	30 June 2023 $	for the period 9 April 2021 to 30 June 2022 $
Audit services - William Buck		
Audit or review of the financial statements	26,500	22,000
Other services - William Buck		
Independent accountant's report	10,000	10,000
	36,500	32,000

Note 13. Contingent liabilities

There were no contingent liabilities as at 30 June 2023 (2022:nil).

Note 14. Planned exploration expenditure

	30 June 2023 $	30 June 2022 $
Planned exploration expenditure at the reporting date but not recognised as liabilities, payable:		
Within one year	1,622,424	485,000
One to five years	2,753,424	2,425,000
More than five years	-	2,686,456
	4,375,847	5,596,456

The following expenditure is planned to take place under the Company's portfolio of exploration tenements. In the event that this expenditure does not take place, the government authority that granted the tenement has the right to rescind the exploration rights under the tenement.

Note 15. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 11 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	30 June 2023 $	for the period 9 April 2021 to 30 June 2022 $
Payment for other expenses:		
Accounting and Company Secretary fees paid to JM Corporate Services (entity associated with Justin Mouchacca)	19,800	61,655

Note 15. Related party transactions (continued)

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 16. Events after the reporting period

No 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 17. Reconciliation of loss after income tax to net cash used in operating activities

	30 June 2023 $	for the period 9 April 2021 to 30 June 2022 $
Loss after income tax expense for the year	(1,693,306)	(322,347)
Adjustments for:		
Share-based payments	1,385,167	-
Change in operating assets and liabilities:		
Decrease/(increase) in goods and services tax credits and other receivables	3,303	(71,865)
Increase in prepayments	(53,308)	-
Increase in trade and other payables	234,438	36,041
Net cash used in operating activities	(123,706)	(358,171)

Note 18. Earnings per share

No options have been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”. The rights to options are non-dilutive as the Company is loss generating.

	30 June 2023 $	for the period 9 April 2021 to 30 June 2022 $
Loss after income tax attributable to the owners of Iltani Resources Limited	(1,693,306)	(322,347)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	14,588,901	8,897,609
Weighted average number of ordinary shares used in calculating diluted earnings per share	14,588,901	8,897,609

Note 18. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(11.61)	(3.62)
Diluted earnings per share	(11.61)	(3.62)

Note 19. Share-based payments

During the financial year and in accordance with the Company's Initial Public Offering (IPO) Prospectus, the Company issued 13,000,000 options to Directors of the Company and 2,400,000 to the Lead Managers of the IPO capital raising.

Set out below are summaries of options granted during the financial year:

30 June 2023

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
22/06/2023	22/06/2026	$0.30	-	6,000,000	-	-	6,000,000
22/06/2023	22/06/2027	$0.40	-	7,000,000	-	-	7,000,000
22/06/2023	22/06/2026	$0.40	-	2,400,000	-	-	2,400,000
			-	15,400,000	-	-	15,400,000

The options issued during the period do not have any vesting or service conditions.

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

Grant date	Expiry date	30 June 2023 Number	30 June 2022 Number
22/06/2023	22/06/2026	6,000,000	-
22/06/2023	22/06/2026	2,400,000	-
22/06/2023	22/06/2027	7,000,000	-
		15,400,000	-

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
22/06/2023	22/06/2026	$0.20	$0.30	90.00%	-	-	$0.094
22/06/2023	22/06/2027	$0.20	$0.40	90.00%	-	-	$0.099
22/06/2023	22/06/2026	$0.20	$0.40	90.00%	-	-	$0.081

During the financial year the Company recorded $1,260,167 in the statement of profit or loss and other comprehensive income relating to the issue of Director options. The Company also recorded $194,244 in the statement of financial position relating to the issue of broker options as a cost of capital raising.

Directors' Shares

During the financial year, the Company issued 625,000 fully paid ordinary shares to Directors of the Company in accordance with the Company's IPO Prospectus. An amount of $125,000 has been recognised as a share based payment in the statement of profit or loss and other comprehensive income relating to the issue of these shares.

Note 19. Share-based payments (continued)

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees, consultants and suppliers.

Equity-settled transactions are awards of shares, performance rights 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 determined using the 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 usually 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 equity-settled transactions can also be recognised as capital raising costs recorded against equity, with the same recognition approach as above.

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

Iltani Resources Limited
Directors' declaration
30 June 2023

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

Donald Garner
Managing Director

28 September 2023

ILTANI RESOURCES LIMITED
Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Iltani 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 other explanatory information, 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 ended on that date; 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

ACCOUNTING FOR TRANSACTIONS RELATING TO THE INITIAL PUBLIC OFFERING ("IPO")	
Area of focus	**How our audit addressed it**
As set out in Notes 3 and 8 Company conducted an IPO transaction during the year. In leading up to this event, the Company conducted the following significant transactions: — Raised capital under the IPO; — Issued options to the brokers and Directors as part of remuneration for services provided as set out in the IPO Prospectus; and — Incurred capital raising costs from its brokers, professional advisors and regulators in-relation to the IPO. These significant transactions were key sources of estimation and judgement uncertainty for these financial statements and is therefore a key audit matter, namely: — Ensuring that all related party transactions were completely and accurately disclosed; and Determining the appropriate apportionment of costs of the IPO between equity, when directly connected to the issue of new share capital, and a charge to the profit or loss, when connected to the quotation of existing share capital.	In addressing these transactional risks we performed the following procedures: — We traced through all obligations attached to these IPO costs to supporting documentation; — We recalculated the roll of equity from the previous financial period through to 30 June 2023, which includes the funds raised from the IPO; — We re-performed the calculation of the broker and Director options, which were valued using a Black-Scholes model and assessed the appropriateness of inputs applied in the model; — We recalculated the vesting charge of both the broker and Director options for the year ended 30 June 2023; — We assessed the appropriateness of the treatment of the IPO costs, those of which were classified as equity and those charged to the profit or loss depending upon their linkage to the issue of new share equity; and We also assessed the appropriateness of disclosures made in-relation to these matters, as described in *critical estimates and judgements* in a note to the financial statements and also the attaching related party disclosures.

CARRYING VALUE AND CAPITALISATION OF EXPLORATION AND EVALUATION ASSETS	
Area of focus	**How our audit addressed it**
As disclosed in Note 6, the Company incurred exploration and evaluation costs related to exploration projects. The Company holds the right to explore and evaluate those projects through a direct ownership of the underlying Area of Interest. Specific costs related to such 'Area of Interest' activity are capitalised where the AASB 6 *Exploration for and Evaluation of Mineral Resources* criteria is met. There is a risk that the Company may lose or relinquish its rights to further explore and evaluate those areas of interest and therefore amounts capitalised to the statement of financial position from the current and historical periods be no longer recoverable. Judgement is involved in determining whether there are other facts and circumstances that may suggest the carrying amount of the	In order to address this risk, our audit procedures included the following: — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the requirement to renew that tenement at its expiry; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying tenement expenditure plan; — Examining project spend to each area of interest to assess that costs are directly attributable to that area of interest; — Reviewing management's impairment assessment paper including vouching any renewal licenses to support; — Comparing the market capitalisation of the Company to the net carrying value of its net assets on the statement of financial position to

exploration and evaluation asset may exceed its recoverable amount. Due to the judgements involved in assessing recoverability of capitalised exploration and evaluation assets, this was considered a Key Audit Matter.	identify any other additional indicators of impairment. We also assessed the adequacy of the Company's disclosures in respect of capitalised exploration costs and the planned expenditures under either direct tenement agreements or as applicable under Farm-in Arrangements.

Other Information

The directors are responsible for the other information. The other information comprises the information 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 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements 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 independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
Melbourne, 28 September 2023

Iltani Resources Limited
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 20 September 2023.

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

	Ordinary shares		Options over ordinary shares	
	Number of holders	**% of total shares issued**	**Number of holders**	**% of total shares issued**
1 to 1,000	5	0.01	-	-
1,001 to 5,000	28	0.24	-	-
5,001 to 10,000	95	2.22	-	-
10,001 to 100,000	150	19.05	-	-
100,001 and over	90	78.48	5	100.00
	368	100.00	5	100.00
Holding less than a marketable parcel	14	0.05	-	-

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**
Goatfell Super Fund Pty Ltd (Goatfell Super Fund A/C)	3,050,000	7.30
Incito Equity Solutions Pty Ltd	1,974,095	4.72
NWR Communications No.2 Pty Ltd (NWR Communications A/C)	1,680,000	4.02
Matt Corp WA Pty Ltd (JG Matthews Family A/C)	1,562,500	3.74
Netwealth Investments Limited (Super Services A/C)	1,333,643	3.19
Dixson Trust Pty Limited	1,250,000	2.99
Qingtao Zeng	1,000,000	2.39
Palm Beach Nominees Pty Limited	1,000,000	2.39
Nottle Nominees Pty Ltd (Nottle family A/C)	700,000	1.68
Mr Sean R Muffet	687,500	1.65
Evolution Trustees Limited (Ari Capital Nat Res Fund A/C)	645,000	1.54
Kyriaco Barber Pty Ltd	551,679	1.32
Huon Pine Pty Ltd (Huon Pine Investment A/C)	500,000	1.20
Muncha Cruncha Pty Ltd	500,000	1.20
Netwealth Investments Limited (Wrap Services A/C)	457,740	1.10
Mr Nicholas J Axam	440,000	1.05
Mrs Yonghong Gu	425,000	1.02
Mr Jodet Durak	420,000	1.01
St Barnabas Investments Pty Ltd (The Melvista Family A/C)	400,000	0.96
Loddy Pty Ltd (Hall Family Super Fund A/C)	387,500	0.93
	18,964,657	45.40

Unquoted equity securities

	Number on issue	**Number of holders**
Options over ordinary shares issued	15,400,000	5

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

	Ordinary shares	
	Number held	% of total shares issued
Goatfell Super Fund Pty Ltd (Goatfell Super Fund A/C)	3,050,000	7.30

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.

Restricted securities

Class	Expiry date	Number of shares
Fully paid ordinary shares	30 June 2025	7,777,095
Unlisted options exercisable at $0.40 on or before 22 June 2026	30 June 2025	2,400,000
Unlisted options exercisable at $0.40 on or before 22 June 2027	30 June 2025	7,000,000
Unlisted options exercisable at $0.30 on or before 22 June 2026	30 June 2025	6,000,000
		23,177,095

Consistency with business objectives - ASX Listing Rule 4.10.19
In accordance with ASX Listing Rule 4.10.19, the Group states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objectives are maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of the Company. Consistent with the use of funds which were disclosed in the Company's Prospectus dated 5 May 2023, the Group believes it has used its cash in a consistent manner for the following purposes:

- Exploration expenditure on the Company's areas of interest;
- Corporate Administration costs;
- Working capital costs; and
- Costs of the offer.