



ZULEIKA GOLD

ZULEIKA GOLD LIMITED

ABN 43 141 703 399

ANNUAL REPORT
for the year ended 30 June 2023

CORPORATE DIRECTORY

Board of Directors

Annie Hui Guo	Executive Chair (appointed 18 July 2022 and simultaneously stepped aside as Managing Director)
Michael Higginson	Non-Executive Director (resigned 18 July 2022 and re-appointed 31 August 2023)
Graeme Purcell	Non-Executive Director

Company Secretary

Michael Higginson

Principal & Registered Office

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Share Registry

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+61 8 9262 3723 (Facsimile)
www.advancedshare.com.au

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco, Western Australia 6008

ANNUAL REPORT

for the financial year ended 30 June 2023

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CHAIR'S LETTER

Dear Shareholders

Over the past 12 months Zuleika Gold Limited (**Zuleika Gold** or the **Company**) has focused on increasing the value of the Company's tenement portfolio in the Kalgoorlie - Menzies goldfields though actively exploring its large and prospective land holding.

Our tenements are considered to be highly prospective, being only partially explored despite being largely located near Kalgoorlie's world class gold system. Zuleika Gold's significant tenement holding makes the Company the 3rd largest landowner along the Zuleika and Kunanalling shears, behind Evolution Mining Ltd and Norton Goldfields Pty Ltd. The Company is committed to the efficient use of shareholders' funds to prioritise the numerous drill targets and to be nimble to adjust priorities as new information comes to hand. New and existing targets will be assessed to maximise the potential for a significant discovery.

During the past 12 months, Zuleika Gold has completed approximately 5,000m of aircore drilling in the Kalgoorlie region and collected 3,500 soil samples and continued to generate new targets across its entire portfolio, including at Goongarrie and Menzies using soil geochemical sampling along with geological interpretation.

Encouraging gold in soil anomalies have been generated at a number of prospects in the Zuleika Project area as well as at Goongarrie and Menzies further north. Drill planning and approvals are well advanced and drill testing is planned for the second half of 2023 at a number of targets.

Throughout the year, the Company has investigated the acquisition of a number of advanced projects that have potential to be in production in the near-term. The Company is applying rigorously high due diligence standards to ensure any acquisition will substantially benefit shareholders. This process will continue in the coming year, with the expectation that a successful outcome will significantly increase shareholder value.

During the year, the Company continued working with its legal advisors Bennett + Co, which culminated in a hearing in the Supreme Court of Western Australia against Vango Mining Limited (**Vango**), a wholly owned subsidiary of Catalyst Metal Ltd (ASX: CYL). The verdict of the litigation was announced in November 2022 and, in summary, the findings for Zuleika Gold were wholly successful. Zuleika Gold's 4.1% beneficial interest in the K2 Tenement was confirmed and Vango were found to have breached the terms of the binding agreement. As a consequence, Zuleika Gold is entitled to pursue its claim for damages and the process for transferring the 4.1% interest in the K2 Tenement to the Company is well advanced.

On the corporate front, Jonathan Lea was appointed as Managing Director in July 2022 and by providing a new set of eyes and enthusiasm, immediately re-invigorated the exploration and corporate development of Zuleika Gold.

On behalf of the Board, I sincerely thank our shareholders for their ongoing support. In addition, I thank my fellow directors, our management team, staff and contractors for their hard work. With a positive outlook for gold, we are confident that with our persistent and targeted efforts the Company will successfully enhance its tenement portfolio.

We enthusiastically look forward to actively progressing our exploration and development activities over the coming year.

Yours sincerely



Annie Hui Guo
Executive Chair

29 September 2023.

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Zuleika Gold is solely focussed on gold exploration and development in Western Australia and has four project areas that are being actively explored – these being the Zuleika, Credo, Menzies and Goongarrie Projects (Figures 1 and 2). Zuleika Gold also has currently a 4.1% interest in the K2 Project (owned by Catalyst Metals Ltd) located near the Plutonic mine in the northern Yilgarn.

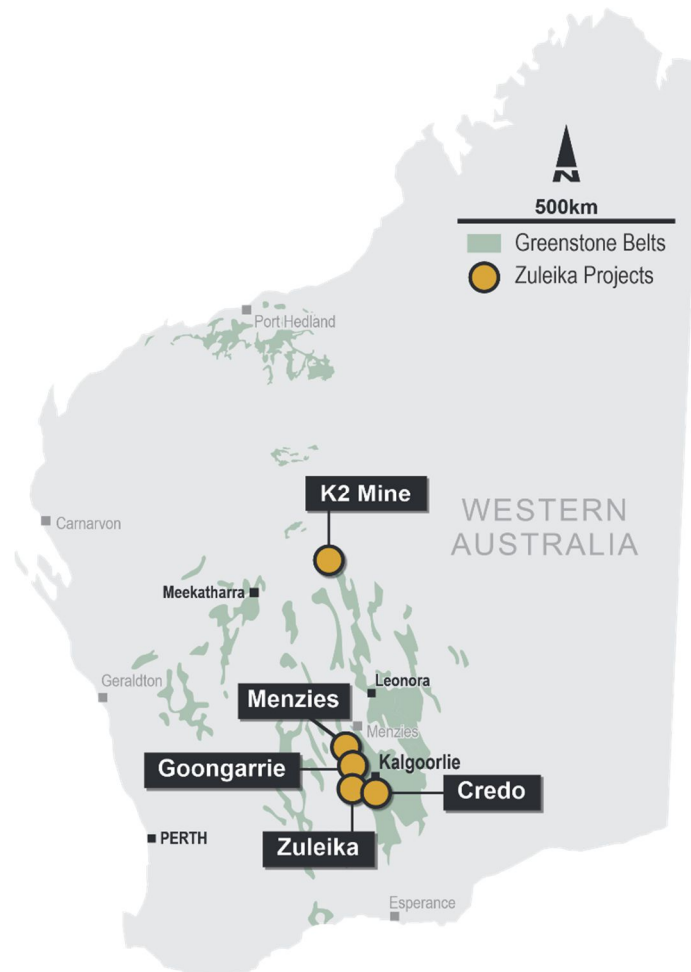


Figure 1 – Project Location Plan

Zuleika Gold continued its systematic and methodical exploration of its 220km² flagship Zuleika Project. The Project consists of 100% owned tenements and a joint venture on others with Asra Minerals Limited (ASX:ASR). The exploration is managed by Zuleika Gold and sits within the prolific gold rich Kundana - Ora Banda district of the Kalgoorlie Goldfield (Figures 1 & 2). The Project is positioned along significant regional structures (the Zuleika, Kunanalling and Carnage shears) within highly prospective stratigraphy which has been the host to more than 20 million ounces of gold production over the last 30 years. Transported cover overlies much of the area, that has limited the effectiveness of previous exploration and hence potential remains for significant discoveries.

The Company's exploration strategy is to effectively test drill targets defined through the combination of new and highly sensitive soil geochemical surveys, along with existing geological and geophysical data. Zuleika Gold continues to assess new projects as opportunities present. Much of the tenement holding is under transported cover and hence a methodical and systematic staged approach is necessary to ensure maximum chances of success while diligently and efficiently applying shareholders' funds. The aim of this work is ultimately to define mineralisation with the potential for economic extraction – either on a stand-alone basis or by using one of the many nearby processing plants owned by others. Progressive commercial assessment is planned, as warranted, as the prospects develop.

Aircore drilling at a number of targets and extensive soil sampling programs were completed in 2022/23 building on exploration from previous years. A number of significant gold targets have been identified at the Zuleika, Menzies and Goongarrie projects. Field validation is ongoing and drilling and heritage approvals are now either in place or pending. Further drilling is planned for the second half of 2023.

Legal proceedings continued regarding Zuleika Gold's beneficial interest earned pursuant to the K2 Project Farm-in-Joint Venture Binding Term Sheet against Vango Mining Limited (ASX:VAN) (**Vango**) and its wholly owned subsidiary Dampier (Plutonic) Pty Ltd (**DPPL**) (ASX: Ann. 16/5/2017). Vango is now a wholly owned subsidiary of Catalyst Metals Limited (ASX:CYL) after a successful take-over in early 2023.

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Following a trial of preliminary issues in the proceedings, conducted in the Supreme Court of Western Australia over 6 days between 21 March 2022 to 30 March 2022 (Preliminary Issue Trial) Zuleika Gold was awarded a 4.1% interest in the K2 Tenement along with costs. The magnitude of the costs will be determined later in 2023. The next stage of litigation (expected in 2024) is to determine the quantum of damages payable by Vango and DPPL to Zuleika Gold.

Following the change of ownership to Catalyst Metals, Zuleika Gold is pursuing discussions to endeavour to reach a mutually agreeable outcome and otherwise continuously actively pursuing Vango and DPPL for its legal rights.

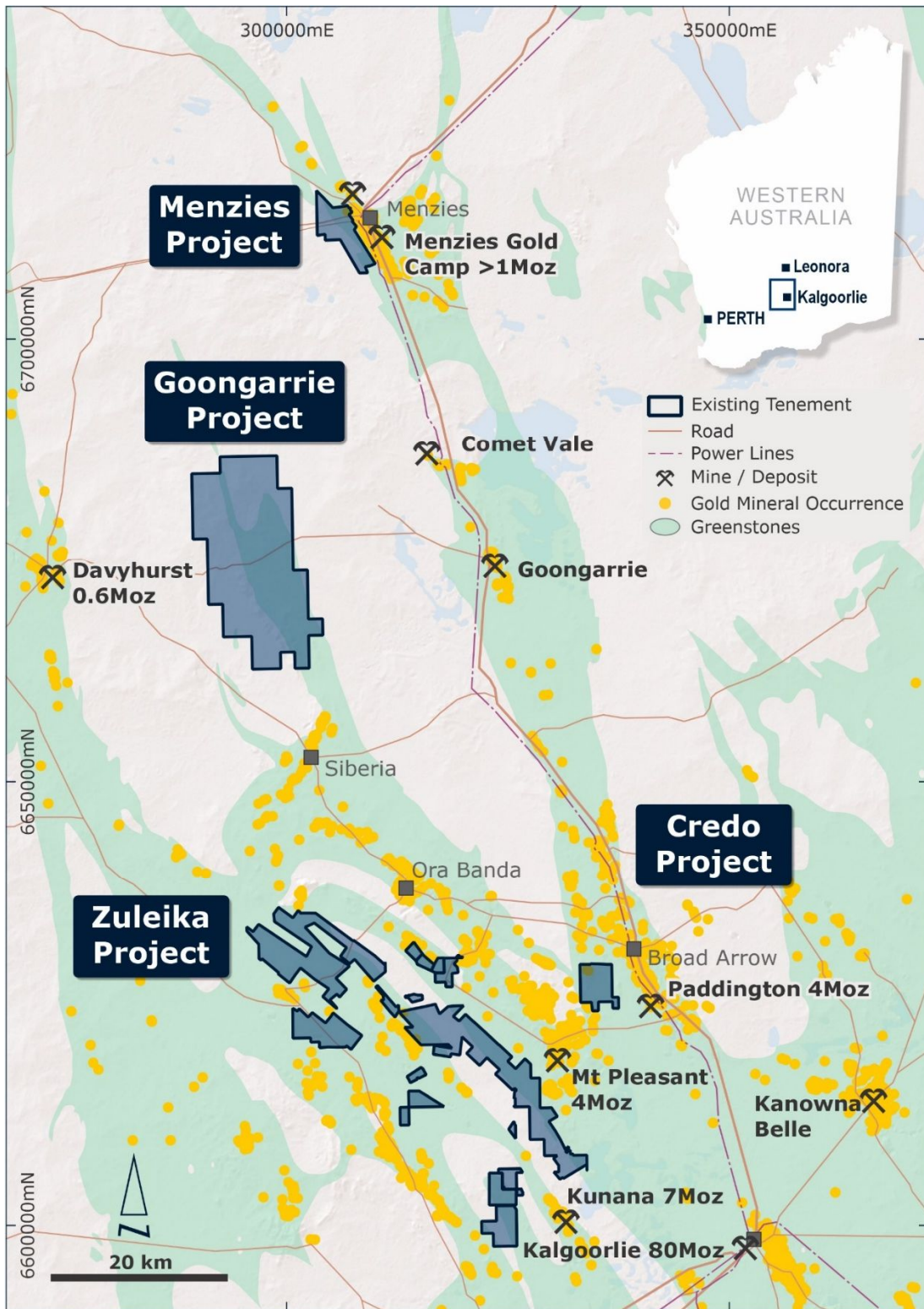


Figure 2 -Location of the Kalgoorlie region Projects

OPERATIONS REPORT

Exploration 2022-2023

Zuleika Gold's overall exploration approach is to use highly sensitive soil geochemistry techniques to define gold anomalies and then use all existing data (eg historic exploration data, geophysical interpretation etc) to prioritise drill targets. Lower cost aircore (AC) drilling is used as a first pass drilling tool and subsequently, if warranted, reverse circulation (RC) drilling. The 2022/23 year has been focussed on aircore drilling testing previously defined gold anomalism and by campaign soil sampling to define new drill targets.

AC drilling campaigns around the areas of previous focus (Paradigm East and Credo) did not produce strong support for mineralisation extending beyond the currently defined boundaries. However, the previously established resource estimation for Credo indicated a potentially economically extractable body of near-surface mineralisation. Efforts are ongoing to secure a development partner to monetise the project. Drilling was also completed at Menzies following up from encouraging soil geochemistry over dominantly over granitoid lithologies. The results indicated the potential for significant mineralisation was remote and the focus at Menzies is now over a series of workings in greenstone lithologies to the east of the tenement holding.

A number of soil sampling programs were completed with very encouraging results obtained from Menzies, Goongarrie and the Zuleika Projects. Field validation and drilling approvals are largely in place and drilling is planned for later in 2023 at a number of targets. The more sensitive Ultrafine assaying technique developed by the CSIRO being utilised in the soil sampling has identified gold anomalism in areas with limited previous exploration and hence is considered a successful tool in the search for significant new bodies of gold mineralisation.

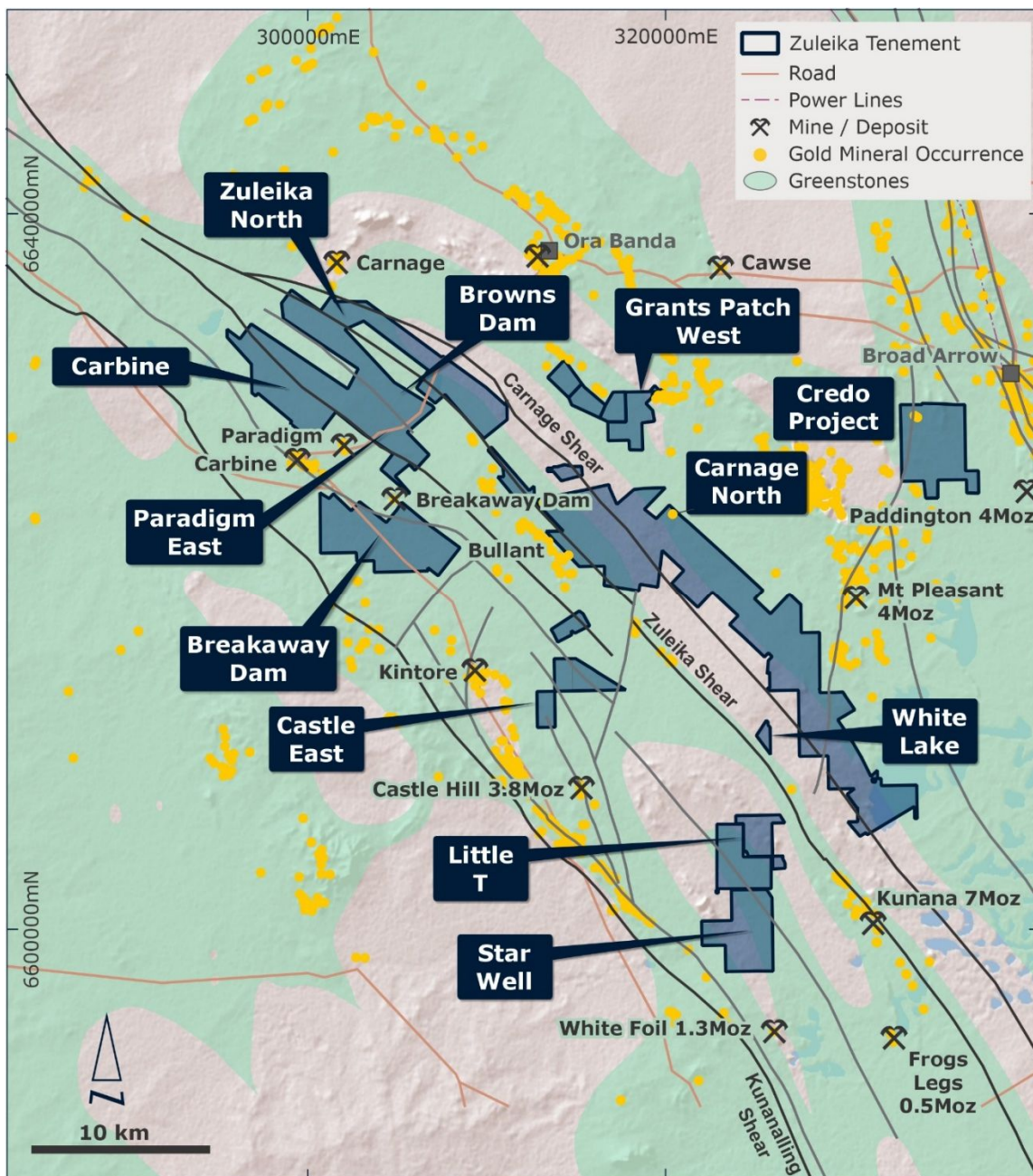


Figure 3 - Location of Zuleika and Credo Projects along major fertile shear zones

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Zuleika Project

Over 3,000 soil samples were taken over a number of prospects in the Zuleika Project (Figure 3) area during the year. Results were mixed, but several key gold anomalies have been identified for drill follow-up. Further soil sampling is planned for the 2023/24 year to provide complete coverage of the tenement package and to define further targets warranting drill testing. The key results and main priorities for the coming year are discussed below, although Zuleika Gold continually reviews priorities for drill testing as new information becomes available.

Grants Patch

At Grants Patch a subtle anomaly on the western part of the tenement package is related to a gabbroic unit that is mineralised along strike to the northwest (with numerous historical workings present) and has had only patchy previous drill testing. AC drilling is planned to test the gabbro unit and potential mineralisation (Figure 4) in 2023.

Given the perceived prospectivity, applications were made for three additional prospecting licenses that lie to the north and partially covering the prospective gabbro. These tenements are expected to be granted later in 2023 and further soil geochemical sampling is planned.

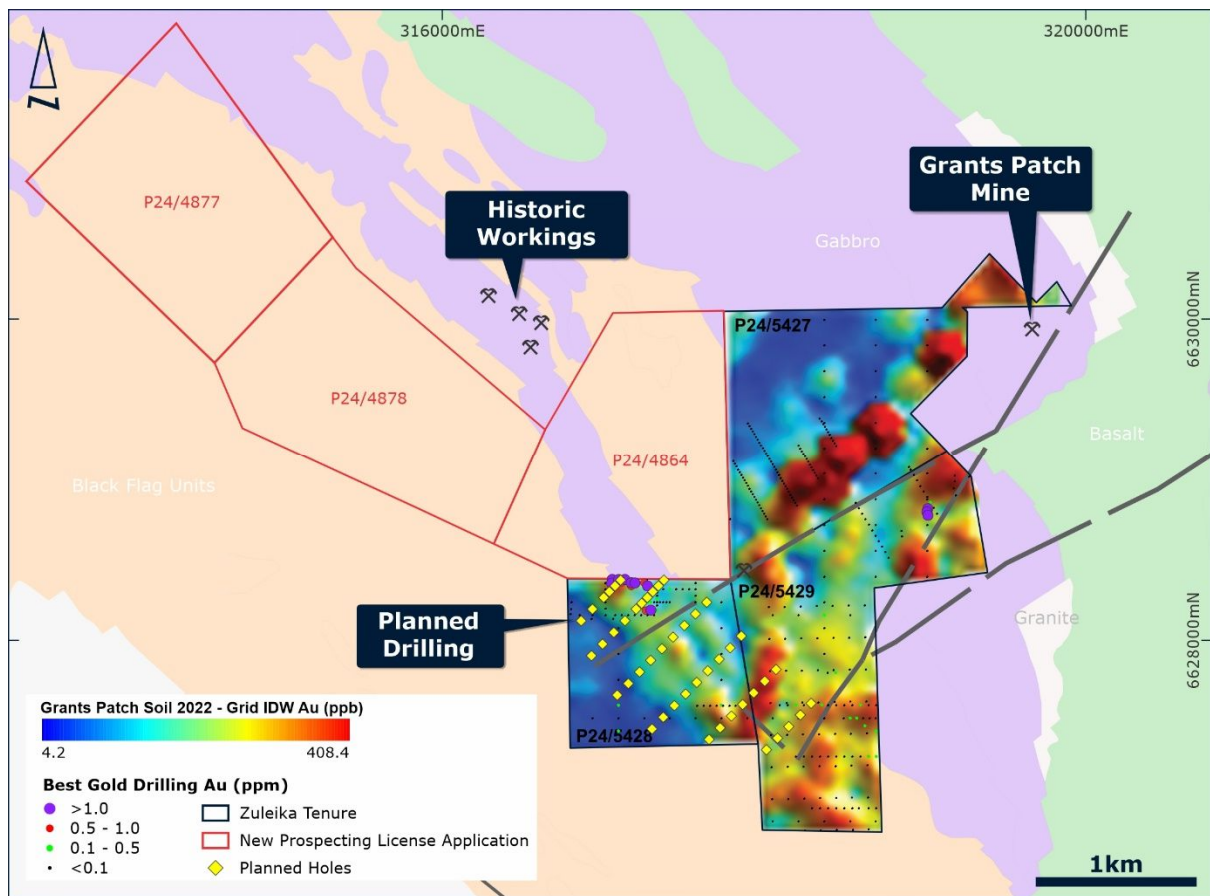


Figure 4 – Grants Patch Prospect

Breakaway Dam

Soil sampling has been completed over the entire Breakaway Dam prospect (Figure 5).

The prospect is considered to have significant potential covering part of the highly mineralised and gold fertile Kunanalling Shear on the western side of the tenement package associated with basalt/sediment lithological contacts. Two distinct zones with elevated gold resulted were defined adjacent to the Kunanalling Shear. Anomaly 1 is about 1km in length and has limited previous historical drilling. Anomaly 2 is a large 3.5 km zone again coincident to the Kunanalling Shear and with only very limited previous drilling.

Both anomalies require field validation prior to potential drill testing later in 2023.

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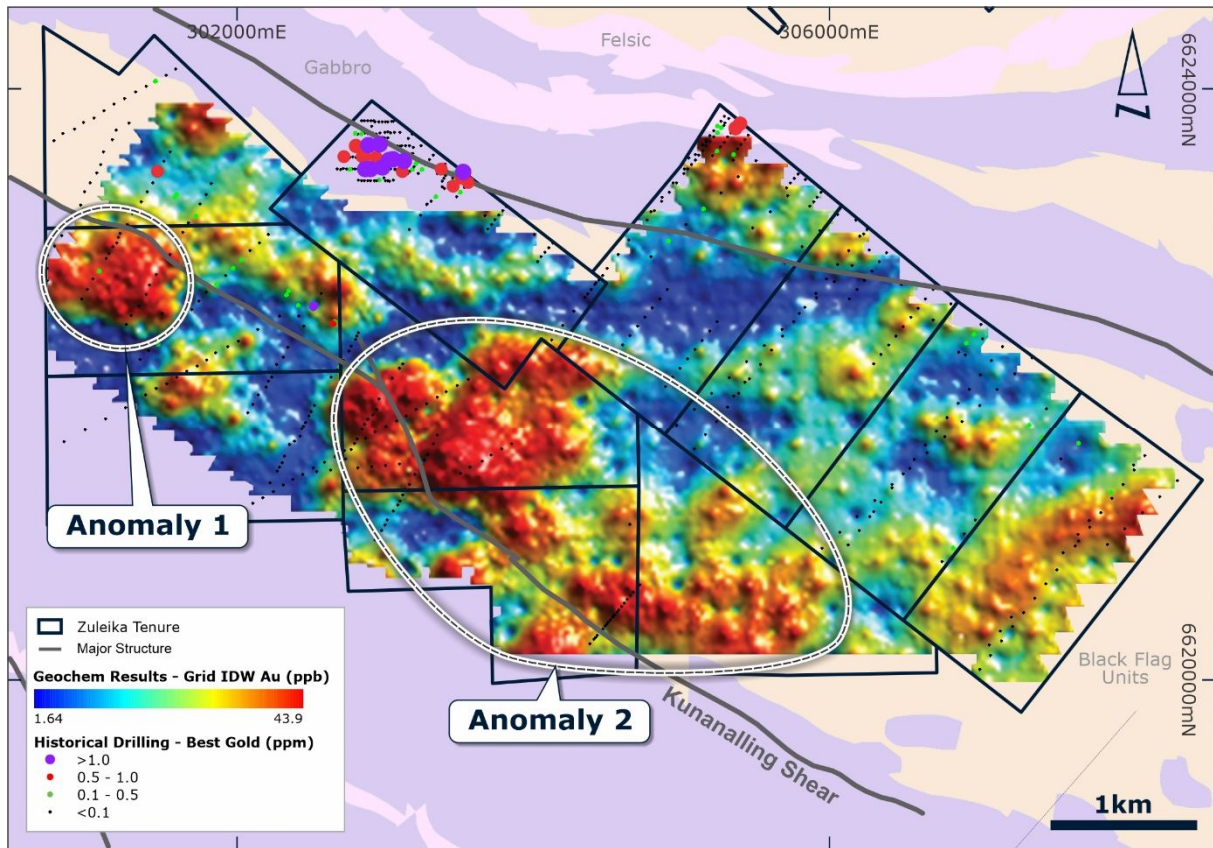


Figure 5 – Breakaway Dam contoured gold geochemistry results

Little T/Star Well

Soil sampling was completed over the remainder of the tenements at the Little T and Star well prospects over prospective gabbro's on the western and eastern limbs of the Powder Sill syncline (Figure 6).

At Little T, a significant NW-SW gold trend (Anomaly 1) was identified, however, as this area has been tested partially by previous drilling it has been assigned a low priority. The previously identified anomaly at the south of the project area (Anomaly 2) is likely to extend onto the new exploration license application area. Once granted further soil sampling in planned prior to drill targets being identified.

At Star Well, the soil sampling produced a large but low-level anomaly on the east side of the tenement group (Anomaly 3). This has been previously tested by wide spaced drilling and is likely to partially represent a drainage channel. Ground truthing is required prior to further work being planned.

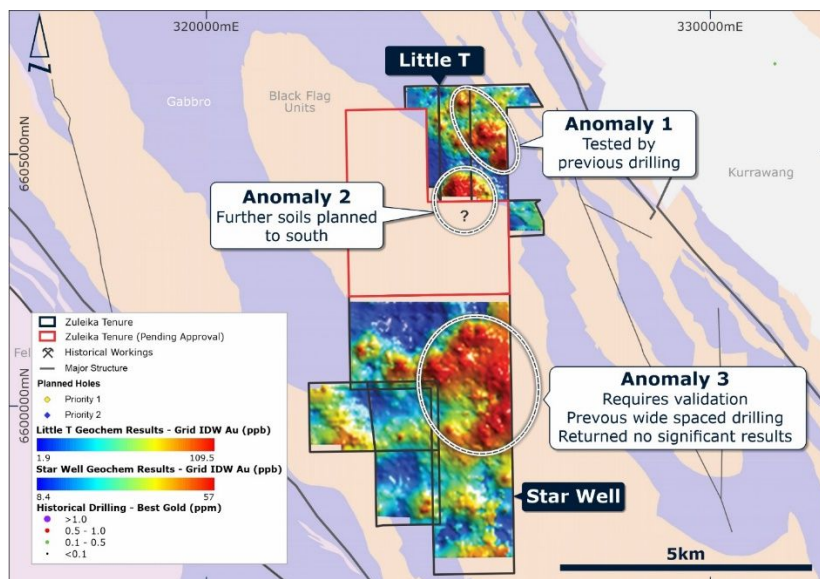


Figure 6 – Star Well and Little T Prospects with contoured gold in soil results.

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Zuleika North/Carbine Prospects

Soil sampling results now cover most of the Zuleika North area (Figure 7). The new soil results define a number of gold anomalies.

Anomaly 1 is 3 km long and has a favourable structural setting. Unfortunately, the 3 key tenements coinciding with this zone expired in July 2023 before drill testing could be completed and the ground has been re-pegged by others. Once granted, attempts will be made to deal with the new owners to enable access.

Anomaly 2 is a 3km long zone coinciding with the Zuleika Shear and favourable lithological contacts. Previous historical drilling over the zone is not believed to have been optimally oriented to test the potential mineralisation and further drill testing is planned.

Anomaly 3 (1km long) has a limited extent, but its trend is parallel to the east-west Paradigm structure immediately to the south and could represent a parallel mineralised trend. Field validation is required prior to drill testing.

Anomaly 4 is a more subtle but extended trend (5km long) to the west of the area that coincides with lithological contacts and possible shearing parallel to the Zuleika Shear. Ground truthing is planned to identify/refine key areas for drill testing.

Patchily spaced soil sampling in the Carbine area (west of Zuleika North and Paradigm East) was completed in previous years but identified a number of poorly defined gold anomalies (Figure 7). A number of gaps exist in the soil sampling coverage and future infill soil sampling is planned to complete the coverage and extend to untested areas in the expectation that the better-defined anomalies generated will form drill targets.

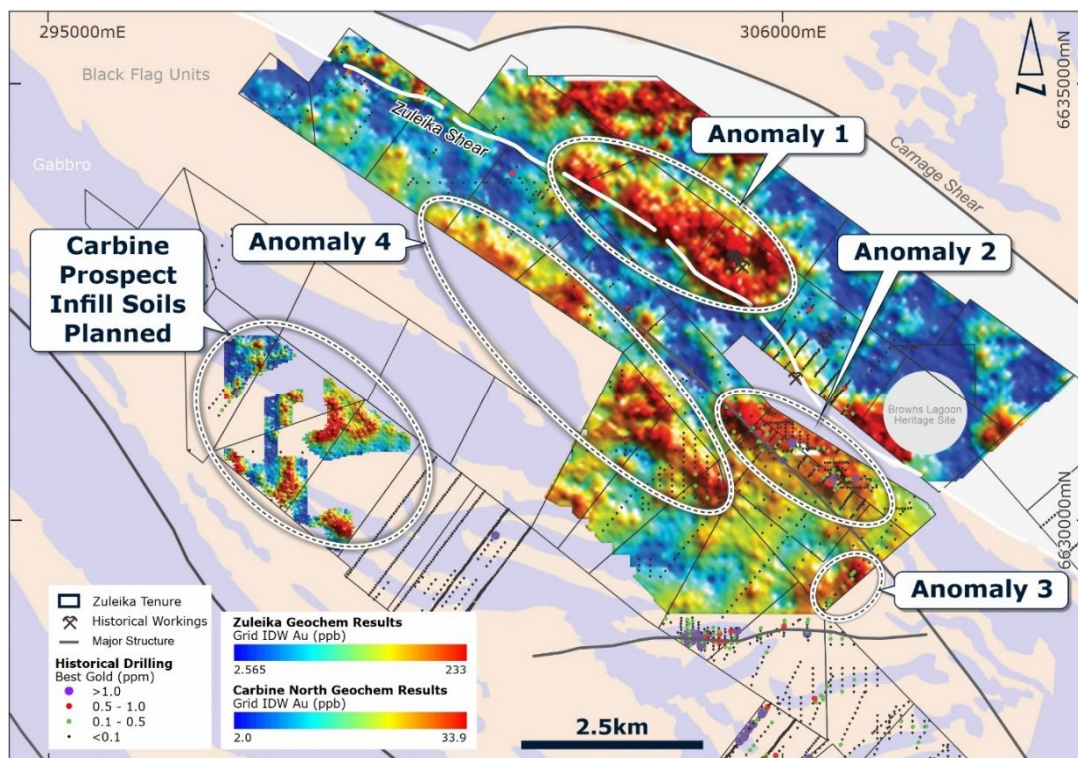


Figure 7 – Zuleika North/Carbine contoured gold geochemistry results

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Menzies

Soil samples were collected over the eastern parts of the tenements covering mainly greenstone lithologies and the structurally prepared greenstone-granite contact (Figure 8).

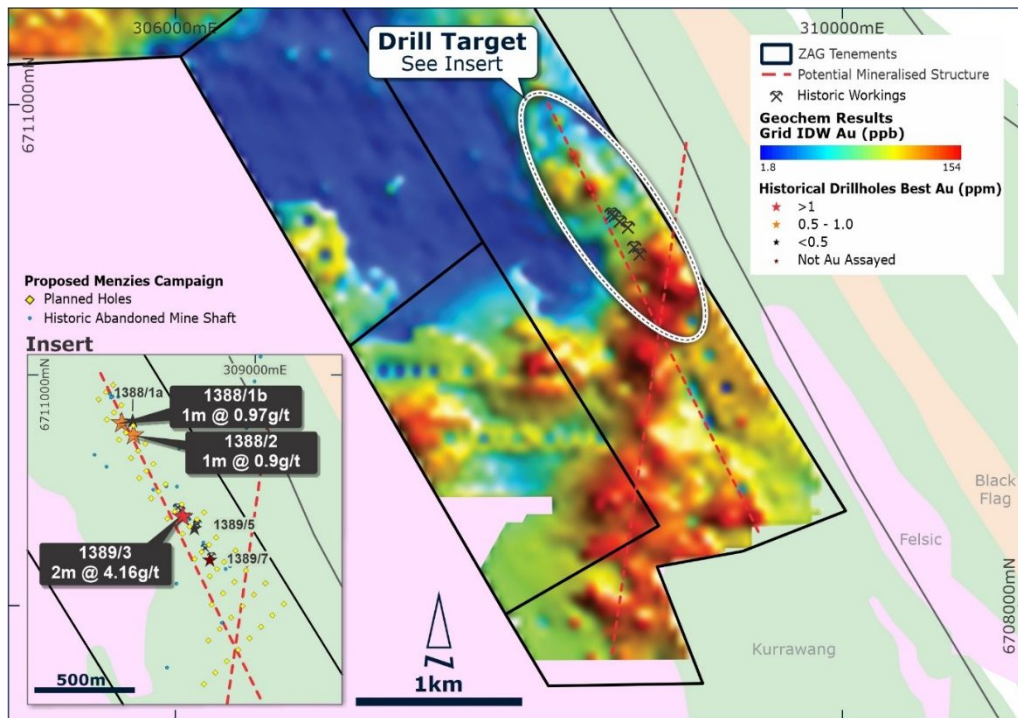


Figure 8 – Menzies soils – contoured gold assays and planned drilling

A significant anomaly (approximately 2km long) was identified in the central part of the M29/418 that coincided with a sheared lithological contact containing an extensive zone of historical underground workings. Only shallow and limited historical drilling exists in this area and potential remains to define extensive mineralisation. Limited previous RAB drilling targeting the 1km long zone of historic workings were drilled in 1996 with a best intercept of 2m at 4.2g/t.

The interpretation of new and historical results coupled with ground truthing has been completed and drilling approvals obtained. The mineralisation target is for high grade quartz veins associated with lithological contacts as evident in some of the historic workings. With at least 400m of untested strike length, there is clearly potential for gold mineralisation and drilling is planned for the second half of 2023.

Goongarrie

The Goongarrie Project tenements cover over 230 km² of the northern section of the Wongi Hills Greenstone Belt, which extends 50 km north northwest from the mining centre at Siberia. A second tenement was acquired via joint venture during the year (E29/1010) that substantially increased the land holding in the is highly prospective belt. Both tenements are under joint venture farm-in agreements through which, Zuleika Gold can earn an 80% stake. No previous drilling is recorded at the anomalous areas or in any part of the tenement package.

The geology is dominated by a south-plunging synclinal structure of mafic and ultramafic rocks with minor felsic rocks enclosed by granites. Existing soil geochemistry data coupled with the favourable geology and structural preparation strongly support the possibility of the presence of gold mineralisation.

A soil sampling program resulted in the identification of a number of extensive nickel and gold anomalies have been outlined.

Results have confirmed the tenor and extent of gold and nickel anomalies. A 5km long zone of gold anomalism was defined on the western side of the syncline that are considered to be highly encouraging and reinforce the positive results provided by the partial coverage of historic soil sampling results. An initial aircore drilling program is planned for later in 2023.

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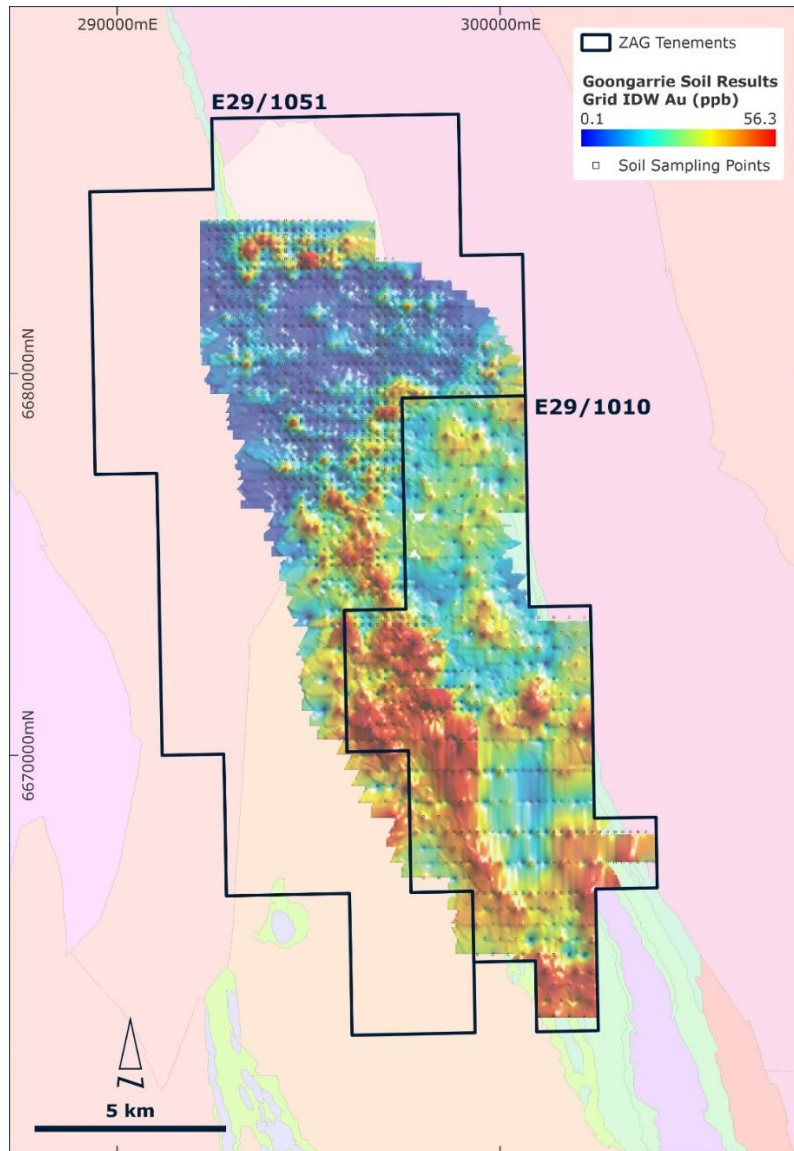


Figure 10 - Goongarrie soils - gold results from all programs

Credo Well

The Credo Gold Project has a previously defined Inferred Resource Estimate of 87,000t at 4.4g/t for 12,300 ounces of contained gold.

Several small drilling programs during the year neither indicated the potential for significant extensions to the current resources base nor repetitions to the mineralisation on the surrounding tenements.

Engagement commenced with a number of mining contractors aimed at toll milling the ore under a profit-sharing arrangement. With over 12,000 oz of high-grade gold in the resource base it is considered a potentially viable mining operation and discussions will continue in the coming year.

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K2 Project

As a background, on 26 May 2020, Zuleika Gold announced that it had commenced proceedings in the Supreme Court of Western Australia against Vango and DPPL regarding the Farm-in Joint Venture Binding Terms Sheet the parties entered into on 12 May 2017 (BTS). Zuleika Gold claimed damages and a beneficial interest in Mining Lease M52/183 (Tenement) and any contiguous tenements which cover adjacent, on-strike or down-dip extensions of the Keillor 2 (K2) orebody or mineralised zones.

The trial to determine the liability of Vango and DPPL in relation to the BTS was held before the Honourable Justice Smith in the Supreme Court of Western Australia in March 2022. In summary, the findings for Zuleika, delivered on 31 October 2022, were wholly successful. Zuleika's beneficial interest of a 4.1% interest in the Tenement was confirmed and Vango and DPPL were found to have breached the terms of the BTS. As a consequence, Zuleika Gold is entitled to pursue its claim for damages.

After successfully obtaining the judgment, Zuleika Gold is seeking special costs orders against Vango and DPPL in respect of Zuleika Gold's costs of the liability proceedings (including the costs of Trial). This process is continuing, and once Zuleika Gold's costs have been finally assessed, Zuleika Gold will promptly seek to enforce the costs order against Vango and DPPL.

Vango and DPPL filed an appeal against a discrete aspect of the judgment. Vango and DPPL appeal the Court's finding that Zuleika Gold has earned a "Joint Venture Interest" pursuant to the BTS which entitles Zuleika Gold to the immediate transfer of a 4.1% interest in the Tenement. Vango and DPPL have not appealed the Court's determination that they engaged in multiple repudiatory breaches of the BTS, which entitled Zuleika Gold to terminate the BTS and sue for damages. Accordingly, nothing in the appeal filed by Vango and DPPL concerns or affects Zuleika Gold's claim for damages, which it will continue to vigorously pursue. Zuleika Gold expects the appeal will be heard in the Court of Appeal in November 2023 and remains highly confident in its defence of the appeal and looks forward to having the appeal resolved positively and attention being refocused on the pursuit of its damages claim.

The transfer to Zuleika Gold's of its 4.1% interest in M52/183 is well advanced.

Catalyst Metals Limited (ASX:CYL) (**Catalyst**) recently acquired all of Vango's shares. The takeover of Vango by Catalyst and Vango's delisting from the ASX does not affect the liability of Vango and DPPL arising from the judgment of the Supreme Court delivered in Zuleika Gold's favour or Zuleika Gold's intention to pursue its rights, pursuant to that judgment and seek orders for significant damages.

Risk management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

Given the size of the Company, the number of employees and the scale of its present activities, the Board is of the view that, at this stage, a separate risk committee is not necessary. The Company believes that it is important for all Board members to be a part of the risk management process and accordingly such matters of risk are discussed and dealt with by the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks and opportunities identified by the Board. These include the following:

- Board oversight and approval of Company activities and reporting obligations.
- delegated authority limits exist in respect of financial expenditure and other business activities.
- a comprehensive insurance program is undertaken.

The board has assessed the key risks of the Company and also the implications of these risks below:

1.1 Company specific

(a) Exploration

The Company's tenements are at an early stage of exploration, and mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Whilst the Directors make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.

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Risk management (continued)

(b) Operations

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(c) Commodity Price Volatility and Exchange Rate Risk

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will be primarily from the sale of gold. Consequently, any future earnings are likely to be closely related to the price of gold and the terms of any off-take agreements the Company enters.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold through the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board, to mitigate such risks.

(d) Native Title and Aboriginal Heritage

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant land owner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

In addition, there may be areas or objects of Aboriginal heritage located on the Company's tenements, or any other tenements that may be acquired by the Company in the future. The Company must ensure that it does not breach the applicable legislation relating to Aboriginal heritage. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal heritage sites or objects exist within the area of the Company's tenements prior to commencing any activities. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

1.2 General

(a) Resource estimations

Resource estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(b) Environmental

The proposed activities of the Company are subject to the laws and regulations of Australia (and other locations where the Company may have operations) concerning the environment. As with most exploration projects, the Company's activities are expected to have an impact on the environment, particularly during advanced exploration and future mining activities. The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities. The Company conducts its activities in an environmentally responsible manner and in accordance with all applicable laws but may still be subject to accidents or other unforeseen events which may compromise its environmental performance, and which may have adverse financial implications.

OPERATIONS REPORT

Risk management (continued)

- (c) Economic
General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
- (d) Market conditions
Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:
- (i) general economic outlook;
 - (ii) introduction of tax reform or other new legislation;
 - (iii) interest rates and inflation rates;
 - (iv) changes in investor sentiment toward particular market sectors;
 - (v) the demand for, and supply of, capital;
 - (vi) terrorism or other hostilities
- The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.
- (e) Competition risk
The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
- (f) Additional requirements for capital
The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
- (g) Reliance on key personnel
The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Competent Persons Statement

Mr Jonathan Lea has compiled information in this report from information and exploration results supplied to Zuleika Gold Limited. Mr Lea has sufficient experience that is relevant to the style of mineralisation, the types of deposits under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Mr Lea is a Member of the Australian Institute of Mining and Metallurgy and was previously Managing Director of Zuleika Gold Limited. Mr Lea consents to the inclusion in the report the matters based on the information in which it appears.

OPERATIONS REPORT

Tenement Holdings as at August 2023

Project	Tenement	Status	Area (Ha)
Zuleika JV	E24/190	Live	1960
Zuleika JV	M16/229	Live	191
Zuleika JV	M16/491	Live	218
Zuleika JV	M24/996	Pending	179
Zuleika JV	P16/2837	Live	153
Zuleika JV	P16/2882	Live	121
Zuleika JV	P16/2884	Live	165
Zuleika JV	P16/2885	Live	95
Zuleika JV	P16/2896	Live	160
Zuleika JV	P16/2902	Live	78
Zuleika JV	P16/2943	Live	180
Zuleika JV	P16/2944	Live	175
Zuleika JV	P16/2945	Live	145
Zuleika JV	P16/2946	Live	196
Zuleika JV	P16/2947	Live	186
Zuleika JV	P16/2948	Live	198
Zuleika JV	P16/2949	Live	178
Zuleika JV	P16/2950	Live	184
Zuleika JV	P16/2951	Live	196
Zuleika JV	P16/2952	Live	196
Zuleika JV	P16/2953	Live	180
Zuleika JV	P16/2960	Live	200
Zuleika JV	P16/2964	Live	46
Zuleika JV	P16/2965	Live	194
Zuleika JV	P16/2966	Live	142
Zuleika JV	P16/2967	Live	70
Zuleika JV	P16/3024	Live	168
Zuleika JV	P16/3025	Live	182
Zuleika JV	P16/3026	Live	188
Zuleika JV	P16/3161	Live	197
Zuleika JV	P16/3162	Live	200
Zuleika JV	P16/3174	Live	164
Zuleika JV	P16/3175	Live	194
Zuleika JV	P16/3176	Live	202
Zuleika JV	P16/3177	Live	193
Zuleika JV	P16/3178	Live	193
Zuleika JV	P16/3210	Live	47
Zuleika JV	P24/4679	Live	175
Zuleika JV	P24/4749	Live	8
Zuleika JV	P24/4827	Live	192
Zuleika JV	P24/4828	Live	136
Zuleika JV	P24/4932	Live	190
Zuleika JV	P24/5078	Live	180
Zuleika JV	P24/5079	Live	122
Zuleika JV	P24/5080	Live	134
Zuleika JV	P24/5081	Live	175
Zuleika JV	P24/5332	Live	170
Goldfields JV	P16/3251	Live	200
Goldfields JV	P16/3252	Live	199
Goldfields JV	P16/3253	Live	199
Goldfields JV	P16/3254	Live	200
Goldfields JV	P16/3255	Live	199
Goldfields JV	P16/3260	Live	103
Goldfields JV	P16/3267	Pending	159
Goldfields JV	P24/5391	Live	85
Goldfields JV	P24/5392	Live	195
Goldfields JV	P24/5393	Live	190
Goldfields JV	P24/5394	Live	175
Goldfields JV	P24/5395	Live	165
Goldfields JV	P24/5401	Live	48
Goldfields JV	P24/5402	Live	200
Goldfields JV	P24/5405	Live	65
Goldfields JV	P24/5406	Live	199
Goldfields JV	P24/5407	Live	196
Goldfields JV	P24/5409	Live	198
Goldfields JV	P24/5410	Live	194
Goldfields JV	P24/5411	Live	197
Goldfields JV	P24/5412	Live	184
Goldfields JV	P24/5413	Live	200
Goldfields JV	P24/5414	Live	189
Goldfields JV	P24/5423	Live	200
Goldfields JV	P24/5424	Live	193
Goldfields JV	P24/5425	Live	198
Goldfields JV	P24/5426	Live	193
Goldfields JV	P24/5427	Live	187
Goldfields JV	P24/5428	Live	113
Goldfields JV	P24/5429	Live	193
Goldfields JV	P24/5430	Live	185
Goldfields JV	P24/5431	Live	148
Goldfields JV	P24/5432	Live	196
Goldfields JV	P24/5433	Live	183

Project	Tenement	Status	Area (Ha)
Zuleika Gold	E16/574	Live	1120
Zuleika Gold	P16/3223	Live	171
Zuleika Gold	P16/3224	Live	110
Zuleika Gold	P16/3225	Live	192
Zuleika Gold	P16/3226	Live	197
Zuleika Gold	P16/3227	Live	197
Zuleika Gold	P16/3228	Live	197
Zuleika Gold	P16/3229	Live	199
Zuleika Gold	P16/3236	Live	180
Zuleika Gold	P16/3237	Live	172
Zuleika Gold	P16/3238	Live	175
Zuleika Gold	P16/3268	Live	122
Zuleika Gold	P16/3269	Live	179
Zuleika Gold	P16/3270	Live	186
Zuleika Gold	P16/3271	Live	120
Zuleika Gold	P16/3272	Live	120
Zuleika Gold	P16/3274	Live	148
Zuleika Gold	P16/3275	Live	140
Zuleika Gold	P16/3294	Live	198
Zuleika Gold	P16/3295	Live	198
Zuleika Gold	P16/3296	Live	198
Zuleika Gold	P24/5434	Live	48
Zuleika Gold	P24/5438	Live	36
Zuleika Gold	P24/5444	Live	200
Zuleika Gold	P24/5445	Live	194
Zuleika Gold	P24/5465	Live	179
Zuleika Gold	P24/5466	Live	158
Zuleika Gold	P24/5467	Live	157
Zuleika Gold	P24/5510	Live	171
Zuleika Gold	P24/5511	Live	183
Zuleika Gold	P24/5512	Live	181
Zuleika Gold	P24/5656	Pending	195
Zuleika Gold	P24/5657	Pending	197
Zuleika Gold	P24/5658	Pending	186
Zuleika Gold	E16/635	Pending	613
Credo JV	M24/975	Pending	
Credo JV	P24/4418	Live	155
Credo JV	P24/4419	Live	133
Credo JV	P24/4420	Live	150
Credo JV	P24/4421	Live	160
Credo JV	P24/4422	Live	131
Credo JV	P24/4423	Live	106
Credo JV	P24/4424	Live	104
Credo JV	P24/4425	Live	137
Credo JV	P24/4426	Live	128
Credo JV	P24/4427	Live	85
Credo JV	P24/4428	Live	120
Credo JV	P24/4429	Live	150
Credo JV	P24/4468	Live	46
Credo JV	P24/5247	Live	9
Credo JV	P24/5563	Pending	86
Goongarrie	E29/1010	Live	6720
Goongarrie	E29/1052	Live	14840
Menzies	M29/417	Live	1148
Menzies	M29/418	Live	503
Menzies	P29/2573	Live	196
Menzies	P29/2574	Pending	193
Menzies	P29/2575	Live	199
Menzies	P29/2576	Live	199

DIRECTORS' REPORT

The Directors of Zuleika Gold Limited (**ZAG** or the **Company**) submit their Annual Financial Statements for the financial year ended 30 June 2023.

Directors

The names and particulars of the Directors of the Company in office during the year and until the end of the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Hui Guo, Executive Chair (appointed 18 July 2022 and simultaneously stepped aside as Managing Director)

Ms Hui Guo has more than 21 years' experience in mining M&A, capital raising and corporate governance and has led a number of acquisitions and investments in near-term production opportunities. Ms Guo is also the founder of Westlink Capital, a funding platform for facilitating and co-investing Australian resource sector projects with value uplift for Australian and Asian investors. Ms Guo was previously a senior manager at PricewaterhouseCoopers in the finance sector. Ms Guo has formidable skills in mining and resources sector M&A, deal structuring, project funding and project valuation.

Ms Guo is a director of Azure Minerals Limited (ASX: ASZ) and CZR Resources Limited (ASX: CZR).

Jonathan Lea, Managing Director (appointed 18 July 2022 – resigned 31 August 2023)

Jonathan is a mining industry executive with over 36 years expertise in all aspects of the mineral industry. After commencing as a geologist, recent roles for mineral exploration and development companies at Managing Director level have focused on all aspects of resource company development, including project generation, corporate management and capital raising.

Jonathan has extensive project development and production experience, with a particular focus on gold, also covers a number of commodities including iron ore and base metals in both open cut and underground settings mainly in Western Australia but also elsewhere in Australia and overseas. Jonathan's experience includes a 10 year period working around Kalgoorlie adjacent to many of the areas covered by the Company's tenement holdings. Particular success was achieved with Polaris Metals following the discovery and initial development of the Carina iron ore deposit leading to a takeover producing significant shareholder benefits.

Mr Lea was formerly a director of Ozz Resources Limited (ASX: OZZ).

Graeme Purcell, Non-Executive Director

Mr Graeme Purcell (BSc Hons) is a highly regarded exploration geologist with more than 27 years national and international experience with major and junior resource companies including Homestake Mining, Barrick Gold and Black Fire Minerals. More recently, he has been working in a consulting capacity.

He has extensive experience, knowledge and understanding of geological processes and mineral systems. He has participated in delivering significant mineral discoveries over a diverse range of geological terranes and jurisdictions, including Australia, Papua New Guinea, Tanzania and the USA.

Mr Purcell is a director of Boadicea Resources Limited (ASX: BOA).

Michael Higginson (appointed 10 February 2022, resigned 18 July 2022 and re-appointed 31 August 2023)

Mr Higginson's biography is under Company Secretary.

Company Secretary

Michael Higginson

Mr Higginson is the holder of a Bachelor of Business Degree. Mr Higginson was formerly an executive officer with the Australian Securities Exchange and has, over the last 36 years, held numerous company secretarial and directorship roles with a range of public listed companies both in Australia and the UK.

Mr Higginson is a director of SportsHero Limited (ASX: SHO) and Cape Range Limited (ASX: CAG).

DIRECTORS' REPORT

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares, unlisted options and performance rights of Zuleika Gold Limited are:

Director	Directors interests in ordinary shares		Directors interests in unlisted options		Directors interests in performance rights	
	Current holding	Net increase/ (decrease)	Current holding	Net increase/ (decrease)	Current holding	Net increase/ (decrease)
Hui Guo (ii)	28,243,992	8,243,992	100,000,000	10,000,000	16,000,000	-
Graeme Purcell	1,903,846	-	1,000,000	-	-	-
Jonathan Lea (iii)	1,000,000	1,000,000 (i)	2,000,000	2,000,000 (i)	-	-
Michael Higginson	-	-	-	-	-	-

- (i) Following the receipt of shareholder approval on 23 November 2022, the Company issued 1,000,000 fully paid ordinary shares as an incentive for nil consideration and 2,000,000 options at a exercise price of \$0.06 per option expiring 3 years after issue.
- (ii) Hui Guo purchased securities in an off market transaction during the period.
- (iii) Jonathan Lea resigned on 31 August 2023.

Principal Activities

The principal activity of the Company during the year was the exploration of the Company's Western Australian tenement portfolio, the dispute in relation to the farm-in joint venture with Vango and the evaluation of other gold project joint ventures and asset sales.

Financial Review

The loss from ordinary operations decreased as a consequence of reductions in share based payment expenses (down \$1.218 mill) and write-off of exploration expenditure (down \$972,687) from the prior period. Administration expenses remaining in line with prior periods and included the continued cost of legal expenses relating to the Vango litigation.

The Company's net asset position decreased from \$8,917,222 to \$7,926,516. Net operating cash outflow were \$1,036,052 and net cash payments for exploration expenditure was \$1,864,258. The Company did not issue shares for cash in this period.

As at 30 June 2023, cash and cash equivalents totalled \$823,297 (2022: \$3,737,129).

Operating Results for the Year

Summarised operating results are as follows:

	2023	
	Revenues	Results
	\$	\$
Revenues and (loss) from continuing operations before tax	38,479	(1,045,224)

Shareholder Returns

Profit/(loss) per share	2023	2022
From continuing operations		
Basic (loss) per share (cents)	(0.20)	(0.77)
Diluted (loss) per share (cents)	(0.20)	(0.77)

The Company is in a loss position therefore, the rights and options are not dilutive in nature.

DIRECTORS' REPORT

Significant Changes in the State of Affairs

On 18 July 2022, Mr Jonathan Lea was appointed as Managing Director and Mr Michael Higginson resigned as a Director.

On 10 October 2022, the Company announced that it had secured the rights to earn up to an 8-% interest in E29/1010 by the expenditure of \$400,000 within 3.5 years.

On 1 November 2022, the Company announced that its litigation against Vango and DPPL was wholly successful.

On 13 December 2022 after receiving shareholder approval on 23 November 2022, the Company issued 1,000,000 fully paid shares to Mr Jonathan Lea as part of his employment contract.

On 13 December 2022 after board approval, the Company issued 500,000 shares to extinguish creditors at a fair value of \$10,000.

On 13 December 2022 the Company issued 500,000 options to consultants for IT services with an exercise price of \$0.06 expiry on 30 November 2025.

On 13 December 2022 the Company issued 250,000 options to an employee with an exercise price of \$0.06 expiry on 30 November 2025.

On 30 January 2023, the Company announced that a 3km gold soil anomaly had been defined at the Zuleika North Prospect.

On 28 March 2023, the Company announced further encouraging soil geochemistry anomalies at the Menzies Project.

Other than as disclosed in this Report, no other significant changes in the state of affairs of the Company occurred during the financial year.

Significant Events after the Balance Date

On 31 August 2023, the Company announced the resignation of its Managing Director, Mr Jonathan Lea and the appointment of Michael Higginson as a non-executive director.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

Likely Developments and Expected Results

The Company will continue to explore its existing resource projects and search for new resource projects or other new business opportunities that have the potential to generate positive cash flows and enhance shareholder value. Activity levels will, however, be impacted by the state of the equity markets, the expectations of vendors and the ability of the Company to raise funds for any new acquisition and working capital. In addition, the Company will wait for the courts decision regarding the Vango Mining Limited proceedings.

Environmental Regulation and Performance

The Company is subject to significant environmental regulation with respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved and, in doing so, so far as it is aware, is in compliance with all environmental regulation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

Remuneration Report (Audited)

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

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

DIRECTORS' REPORT

A. Principles used to determine the nature and amount of remuneration

The remuneration policy has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board of Zuleika Gold Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain appropriately qualified Directors and executives to run and manage the Company.

The remuneration policy, setting the terms and conditions for executive Directors and other senior executives, was developed by the Board. Executives receive a base salary (which is based on factors such as experience and skills) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Executives receive a superannuation guarantee contribution required by the government, which is currently 11.00% (increasing from 10.5% on 1 July 2023), and do not receive any other retirement benefits.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when or if required (no remuneration consultants were used during the year ended 30 June 2023). The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000). Fees for Non-Executive Directors are not linked to the performance of the Company.

Performance based remuneration

The Company has one short term incentives included in executive remuneration packages which relates to Mr Graeme Purcell. At the board's discretion, the Company may issue up to \$30,000 of shares on Mr Purcell achieving certain key milestones to be assessed each year. There is no requirement for the Company to issue these shares.

Company performance, shareholder wealth and Directors' and executives' remuneration

No relationship exists between shareholder wealth, Directors' and executive remuneration and Company performance.

B. Details of remuneration

Details of remuneration of the Directors and other key management personnel (as defined in *AASB 124 Related Party Disclosures*) of Zuleika Gold Limited are set out in the following table.

The key management personnel of Zuleika Gold Limited are the Directors and Company Secretary, as listed on page 16.

Given the size and nature of operations of Zuleika Gold Limited, there are no other personnel who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

The tables below show the 2023 and 2022 figures for remuneration received by the Directors and other key management personnel.

	Short Term			Post-employment		Share-based payments (ii)	Total	Proportion of remuneration performance related
	Salary & fees	Mvt in Annual leave	Non-Monetary benefits (i)	Superannuation	Retirement benefits			
2023	\$	\$	\$	\$	\$	\$	\$	%
Directors								
Jonathan Lea (iii)(iv)	229,231	1,708	11,932	24,069	-	24,483	291,423	8
Hui Guo	238,500	-	12,551	3,780	-	(9,986)	244,845	-4
Graeme Purcell	168,500	-	12,551	3,780	-	(30,000)	154,831	-19
Michael Higginson (v)	1,694	-	619	-	-	-	2,313	
Other key management personnel								
Michael Higginson	29,069	-	-	-	-	-	29,069	-
Total	666,994	1,708	37,653	31,629	-	(15,503)	722,481	

(i) Relates to Directors and Officers Indemnity Insurance paid on behalf of the Directors and Officers of the Company.

(ii) On 13 December 2022 after receiving shareholder approval on 23 November 2022, the Company issued 1,000,000 fully paid shares to Mr Jonathan Lea as part of his employment contract. On 13 December 2022 after receiving shareholder approval on 23 November 2022, the Company issued 2,000,000 options exercisable at \$0.06 and expiring three years after issue. The options were valued using a Black Scholes pricing model. During the period, the Company reversed a previously recognised expense for Ms Guo's Rights from 2019 and a prior period accrual for Mr Purcell's share based payment bonus.

(iii) Mr Lea was an employee and entitled to annual leave. The amount represents the movement from the date of employment to 30 June 2023.

(iv) Mr Lea was appointed on 18 July 2022.

(v) Mr Higginson resigned on 18 July 2022.

DIRECTORS' REPORT

Details of Remuneration (continued)

2022	Short Term			Post-employment		Share-based payments (iii)	Total	Proportion of remuneration performance related
	Salary & fees	Bonus	Non-Monetary benefits (i)	Superannuation	Retirement benefits			
	\$	\$	\$	\$	\$	\$	\$	%
Directors								
Malcolm Carson (ii)	133,500	-	3,480	1,995	-	522,284	661,259	79
Hui Guo	231,000	-	6,396	3,420	-	628,271	869,087	72
Graeme Purcell	168,500	-	6,396	3,420	-	92,369	270,685	34
Jonathan Lea (iv)	-	-	-	-	-	-	-	-
Michael Higginson (v)	13,896	-	-	-	-	-	13,896	-
Other key management personnel								
Michael Higginson	31,088	-	6,396	-	-	-	37,484	-
Total	577,984	-	22,668	8,835	-	1,242,924	1,852,411	

(i) Relates to Directors and Officers Indemnity Insurance paid on behalf of the Directors and Officers of the Company.

(ii) Mr Carson's short term and post-employment benefits were paid to Mineral Resource Consultants Pty Ltd, a company controlled by Mr Carson (Refer note 20 - Key management personnel disclosures). Mr Carson passed away on 7 February 2022.

(iii) On 11 December 2020, the Company issued 10,000,000 options nil consideration to the nominees of each of Mr Carson and Ms Guo. The options were valued using a Black Scholes pricing model. The Company also issued 12,000,000 Performance Rights with specific hurdles outlined below. Mr Purcell has executed a contract with the Company that provides for the issue of 1,000,000 options which are subject to shareholder approval.

(iv) Mr Lea was appointed on 18 July 2022.

(v) Mr Higginson was appointed on 10 February 2022 and resigned on 18 July 2022.

C. Service Agreements

Graeme Purcell

In addition to the payment of director fees of \$36,000 per annum, on 8 March 2021, the Company entered into a Consultancy Agreement with Mr Purcell whereby the Company agreed to engage Mr Purcell as the Company's Exploration Manager on a part time basis, for an initial term of two years and a consideration of \$10,000 per month.

In accordance with the Agreement, Mr Purcell may elect to receive shares in the Company in lieu of cash calculated at a 10% discount to the 30-day VWAP of the Company's shares as at the date of entitlement - subject to receiving the necessary shareholder approval and in the event of no shareholder approval, then the cash amounts shall be payable to Mr Purcell.

The Company issued 1,000,000 options each exercisable at \$0.10 and an expiry date which is 3 years from their date of issue after receiving shareholder approval.

In respect of the Agreement, the Company can seek the approval of its shareholders at a general meeting to the grant fully paid ordinary shares or options in the Company to a value of no less than \$30,000 as an incentive to Mr Purcell subject to meeting the performance criteria as decided and approved by the Board at their sole discretion. The Agreement can be terminated by providing up to 3 months written notice.

Jonathan Lea

On 24 June 2022, the Company entered into an employment agreement with Mr Jonathan Lea to employ Mr Jonathan Lea as the Company's Managing Director on a remuneration of \$240,000 per annum (plus statutory superannuation) with a commencement date of 18 July 2022.

The Company agreed to allot Mr Lea (or his nominee) 1,000,000 fully paid ordinary shares (such shares to be held in voluntary escrow for 12 months from their date of issue) and 2,000,000 options to acquire fully paid ordinary shares each exercisable at \$0.06 and expiring 3 years from their date of issue. These 2,000,000 options, if not exercised, will automatically and immediately expire if for any reason Mr Lea ceases to be an employee of the Company. The Agreement can be terminated by either party giving 3 months written notice, or by the Company paying an equivalent amount of salary in lieu of notice.

The Company has not entered into any other service agreements with Directors or the Company Secretary.

DIRECTORS' REPORT

D. Share-based Compensation

Shares, options and performance rights issued as compensation

During the year, the Company issued the following fully paid shares to the nominees of Mr Jonathan Lea as compensation (2022: refer below).

Details of fully paid ordinary shares issued to key management personnel of the Company are set out below.

Key management personnel	Issue date	Number granted	Fair value per share \$	Vesting date	Number of shares vested during year	Unvested %
2023						
Directors						
Jonathan Lea	13 Dec 2022	1,000,000	\$0.022	13 Dec 2022	1,000,000	N/A

Details of options issued to key management personnel of the Company are set out below.

Key management personnel	Issue date	Number granted	Fair value per options \$	Vesting date	Number of options vested during year	Unvested %
2023						
Directors						
Jonathan Lea	13 Dec 2022	2,000,000	\$0.0122	13 Dec 2022	2,000,000	N/A

Details of fully paid ordinary shares issued to key management personnel of the Company are set out below.

Key management personnel	Issue date	Number granted	Fair value per share \$	Vesting date	Number of shares vested during year	Unvested %
2022						
Directors						
Hui Guo	25 Mar 2022	3,000,000	\$0.032	25 Mar 2022	3,000,000	N/A
Graeme Purcell	25 Mar 2022	750,000	\$0.032	25 Mar 2022	750,000	N/A
Graeme Purcell	25 Mar 2022	1,153,846	\$0.032	25 Mar 2022	1,153,846	N/A

Details of options issued to key management personnel of the Company are set out below.

Key management personnel	Issue date	Number granted	Fair value per options \$	Vesting date	Number of options vested during year	Unvested %
2022						
Directors						
Graeme Purcell	25 Mar 2022	1,000,000	\$0.0031	25 Mar 2022	1,000,000	N/A

The fair value of the options was determined using a Black Scholes Option Pricing model using the following inputs:

Options	
Grant date	19 November 2021
Exercise date	25 March 2026
Share price at grant date (\$)	0.02
Exercise price (\$)	\$0.10
Risk-free rate (%)	0.10
Volatility (%)	79.28
Fair value per security (\$)	0.0031
Fair value (\$)	3,128

The fair value of the options was provisionally calculated on appointment of Mr Purcell, \$1,682 was expensed in the prior period. An additional \$1,446 was expensed in the current period upon receiving shareholder approval after the valuation was updated.

DIRECTORS' REPORT

Options over equity instruments granted as compensation

On 13 December 2022, the Company issued 2,000,000 options to Mr Jonathan Lea pursuant to his consulting agreement. The fair value of the options was calculated as \$24,483.

Equity instrument disclosures relating to Directors and key management personnel

(i) Option holdings

The number of options over ordinary shares in the Company held during the financial year by each key management personnel of the Company, including their personally related parties, are set out below:

Key management personnel	Balance at 1 July 2022 No.	Granted as compensation No.	Exercised No.	Net other change No.	Balance at 30 June 2023 No.	Vested and exercisable No.	Unvested No.
2023							
Directors							
Hui Guo	90,000,000	-	-	10,000,000	100,000,000	100,000,000	-
Graeme Purcell	1,000,000	-	-	-	1,000,000	1,000,000	-
Jonathan Lea	-	2,000,000 (i)	-	-	2,000,000	2,000,000	-
Other key management							
Michael Higginson	200,000	-	-	(200,000) (ii)	-	-	-
	91,200,000	2,000,000	-	9,800,000	103,000,000	103,000,000	-

(i) During the year, Hui Guo purchased securities off market.

(ii) During the period the Company issued 1,000,000 options to Mr Purcell pursuant to his consulting agreement.

(iii) Options expired without being exercised on 31 March 2022.

Details of options held as at reporting date by key management personnel of the Company are set out below.

Key management personnel	Issue date	Number granted	Fair value per option \$	Vesting date	Number of options vested during year	Vested %
2022						
Directors						
Hui Guo	14 Dec 2020	10,000,000 (i)	\$0.0348	14 Dec 2020		100%
	14 Dec 2020	80,000,000(ii)	\$0.0414	14 Dec 2020		100%
Graeme Purcell	25 Mar 2022	1,000,000 (iii)	\$0.0031	25 Mar 2022		100%
Jonathan Lea	13 Dec 2022	2,000,000 (iv)	\$0.01224	13 Dec 2022	2,000,000	100%
Other key management personnel						
Michael Higginson		-			-	
		93,000,000			2,000,000	

(i) expiring 14 December 2023

(ii) expiring 14 December 2025

(iii) expiring 25 March 2026

(iv) expiring 13 December 2026

Equity instrument disclosures relating to Directors and key management personnel (continued)

(ii) Share holdings

The number of shares in the Company held during the financial year by each key management personnel of the Company, including their related parties, are set out below.

Key management personnel	Balance at 1 July 2022 No.	Received on exercise of options No.	Net other change No.	Balance at 30 June 2023 No.
2022				
Directors				
Hui Guo (i)	20,000,000	-	8,243,992	28,243,992
Jonathan Lea (ii)	-	-	1,000,000	1,000,000
Graeme Purcell	1,903,846	-	-	1,903,846
Other key management personnel				
Michael Higginson	-	-	-	-

(i) Hui Guo purchased share in an off market transaction during the year.

(ii) Mr Lea was granted 1,000,000 fully paid ordinary shares as compensation after the Company received shareholder approval on 23 November 2022.

DIRECTORS' REPORT

Equity instrument disclosures relating to Directors and key management personnel (continued)

(iii) Performance Rights

The number of Performance Rights in the Company held during the financial year by each key management personnel of the Company, including their personally related parties, are set out below.

Key management personnel	Balance at 1 July 2022 No.	Received as compensations No.	Net other change No.	Balance at 30 June 2023 No.
2023				
Directors				
Hui Guo (i) (ii)	16,000,000	-	-	16,000,000
Graeme Purcell	-	-	-	-
Other key management personnel				
Michael Higginson	-	-	-	-
(i) 4,000,000 Performance Rights issued after shareholder approval on 19 December 2019.				
(ii) 12,000,000 Performance Rights issued after shareholder approval on 11 December 2020.				

Transactions with related parties

Additional transactions with related parties have been outlined in note 22 of the financial statements below and include the access to legal cost funding through a loan with Auracle Group Pty Limited and a single rental charge in July 2022.

End of Remuneration Report

Directors Meetings

The following table sets out the number of meetings attended by each of the Directors during the year.

Director	Board Meetings	
	A	B
Jonathan Lea	10	10
Hui Guo	10	10
Graeme Purcell	10	10
Michael Higginson	-	-

Notes

A – Number of meetings attended

B – Number of meetings held during the time the Director held office during the year

The current Board has assumed the duties and responsibilities typically delegated to an audit committee, risk committee, remuneration committee and nomination committee.

Shares under Option

As at the date of this report there are 203,750,000 unissued ordinary shares in respect of which options are outstanding. All options previously issued and not exercised were cancelled in accordance with their terms.

The total number of listed options is 46,563,638.

	Number of options
Balance at the beginning of the year	248,763,638
Movements of options during the year	
Options expired - \$0.05 expired 13 December 2022	(1,200,000)
Options issued on 13 December 2022 - \$0.06 expiring on 30 November 2025	2,750,000
Expiry of options - \$0.10 expiring 31 January 2023	(46,563,638)
Total number of options outstanding at 30 June 2023	203,750,000
Expiry of options (November 2025) - \$0.06 expired 31 August 2022 due to resignation	(2,000,000)
Total number of options outstanding at the date of this report	201,750,000

DIRECTORS' REPORT

Performance Rights

As at the date of this report there are 28,000,000 performance rights in respect of which rights are outstanding.

	Number of rights
Balance at the beginning of the year	28,000,000
Movements of performance rights during the year	-
Total number of rights outstanding at 30 June 2023	28,000,000
Total number of rights outstanding at the date of this report	28,000,000

Insurance of Directors and Officers

During or since the financial year, the Company paid premiums insuring all the Directors and Officers of Zuleika Gold Limited against costs incurred in defending proceedings for conduct involving:

- a) a wilful breach of duty; or
- b) a contravention of sections 182 or 183 of the *Corporations Act 2001*,

as permitted by section 199B of the *Corporations Act 2001*.

The total amount of insurance premiums incurred for the year was \$37,653 (2022: \$22,668).

Dividends

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

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.

No proceedings have been brought or intervened in on behalf of the Company with the leave of the Court under section 237 of the *Corporations Act 2001*.

Non-Audit Services

The Company engaged its auditor, Hall Chadwick, to undertake specific procedures relating to a potential transaction. The total cost of the non-audit services was \$15,000.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 25.

Signed in accordance with a resolution of the Directors made pursuant to s 298(2) of the *Corporations Act 2001*.

On behalf of the Directors



Annie Hui Guo
Executive Chair

Dated this 29th day of September 2023

To the Board of Directors,

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

As lead audit Director for the audit of the financial statements of Zuleika Gold Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 29th day of September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2023

	Note	2023 \$	2022 \$
Continuing Operations			
Revenue	4	38,479	8,824
Administration expenses		(1,048,142)	(1,153,709)
Write-off exploration expenditure	9	(11,043)	(983,730)
Share-based payments	26	(24,518)	(1,242,924)
Loss from continuing operations before income tax benefit	4	(1,045,224)	(3,371,539)
Income tax expense	5	-	-
Loss from continuing operations		(1,045,224)	(3,371,539)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		(1,045,224)	(3,371,539)
Loss attributable to owners of the Company		(1,045,224)	(3,371,539)
Total comprehensive loss attributable to owners of the Company		(1,045,224)	(3,371,539)
Profit/(loss) per share:			
From continuing			
Basic (cents per share)	25	(0.20)	(0.77)
Diluted (cents per share)	25	(0.20)	(0.77)

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Note	30 Jun 2023 \$	30 Jun 2022 \$
Current assets			
Cash and cash equivalents	6	823,297	3,737,129
Other receivables	7	64,723	177,153
Other assets	10	8,839	10,307
Total current assets		896,859	3,924,589
Non-current assets			
Property, plant and equipment	8	13,655	2,014
Intangible assets	11	3,983	7,520
Exploration and evaluation expenditure	9	7,521,043	5,610,934
Total non-current assets		7,538,681	5,620,468
TOTAL ASSETS		8,435,540	9,545,057
Current liabilities			
Trade and other payables	12	494,276	627,835
Provisions	13	-	-
Lease liability	14	14,748	-
Total current liabilities		509,024	627,835
TOTAL LIABILITIES		509,024	627,835
NET ASSETS		7,926,516	8,917,222
Equity			
Issued capital	15	38,110,799	38,078,799
Reserves	16	5,787,093	5,764,575
Accumulated losses		(35,971,376)	(34,926,152)
TOTAL EQUITY		7,926,516	8,917,222

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2023

	Attributable to equity holders				Total Equity \$
	Ordinary Shares \$	Accumulated Losses \$	Option Reserve \$	Other Reserve \$	
For the year ended 30 June 2023					
Balance at beginning of year	38,078,799	(34,926,152)	4,459,891	1,304,684	8,917,222
Transactions with shareholders in their capacity as shareholders					
Shares issued for director incentives	22,000	-	-	-	22,000
Shares issued to extinguish debt	10,000	-	-	-	10,000
Performance Rights expense reversed	-	-	-	(9,986)	(9,986)
Options issued	-	-	32,504	-	32,504
Total comprehensive income					
Loss for the year	-	(1,045,224)	-	-	(1,045,224)
Total comprehensive loss for the year	-	(1,045,224)	-	-	(1,045,224)
Balance as at 30 June 2023	38,110,799	(35,971,376)	4,492,395	1,294,698	7,926,516

	Attributable to equity holders				Total Equity \$
	Ordinary Shares \$	Accumulated Losses \$	Option Reserve \$	Other Reserve \$	
For the year ended 30 June 2022					
Balance at beginning of year	34,746,551	(31,554,613)	4,458,445	250,129	7,900,512
Transactions with shareholders in their capacity as shareholders					
Issue of shares (net of costs)	3,000,000	-	-	-	3,000,000
Shares issued on conversion of options	60,000	-	-	-	60,000
Shares issued to acquire tenements	18,365	-	-	-	18,365
Shares issued to extinguish debt	96,960	-	-	-	96,960
Shares issued for director incentives	156,923	-	-	-	156,923
Performance Rights expensed	-	-	-	1,060,791	1,060,791
Performance Rights forfeited	-	-	-	(6,236)	(6,236)
Options issued	-	-	1,446	-	1,446
Total comprehensive income					
Loss for the year	-	(3,371,539)	-	-	(3,371,539)
Total comprehensive loss for the year	-	(3,371,539)	-	-	(3,371,539)
Balance as at 30 June 2022	38,078,799	(34,926,152)	4,459,891	1,304,684	8,917,222

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(1,068,430)	(1,737,530)
Interest expense		(1,930)	(3,099)
Interest received		34,308	8,549
Net cash (used in) operating activities	24	(1,036,052)	(1,732,080)
Cash flows from investing activities			
Payments for property, plant and equipment		-	-
Payments for exploration and evaluation		(1,864,258)	(2,414,952)
Net cash (used in) investing activities		(1,864,258)	(2,414,952)
Cash flows from financing activities			
Proceeds from issues of ordinary shares		-	3,060,000
Repayment of lease liability	14	(13,522)	(68,530)
Net cash (used) / provided by financing activities		(13,522)	2,991,470
Net (decreased) in cash and cash equivalents		(2,913,832)	(1,155,562)
Cash and cash equivalents at the beginning of the financial year		3,737,129	4,892,691
Cash and cash equivalents at the end of the financial year	6	823,297	3,737,129

The accompanying notes form part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These financial statements are for Zuleika Gold Limited (Company). The financial statements are presented in Australian dollars. Zuleika Gold Limited is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue by the Directors on 29 September 2023.

(a) Basis of preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The Company has consistently applied the following accounting policies to all periods presented in the financial statements. The Company has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2022 but determined that their application to the financial statements is either not relevant or not material.

(b) Going concern

The going concern concept relates to the assessment of the Company's ability to continue its operations (and pay its debts as and when they fall due) for the next 12 months from the date when the Directors sign the annual report.

The Company has incurred a net loss of \$1,045,224 and net operating and investing cash outflows of \$2,900,310 for the year ended 30 June 2023. The Company's management have prepared a cash flow forecast for the period to September 2024 for its operations including the minimum commitments for its current tenement holdings. The forecast includes an assumption about future capital raising and operating and exploration costs.

The Directors assessed whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements, the Company:

- has access to cash reserves of \$823,297 as at 30 June 2023 (\$3,737,129 as at 30 June 2022);
- has the ability to adjust its operating and exploration expenditure to conserve cash; and
- anticipates the recovery of a portion of previous legal costs incurred after being successful in its litigation against Vango Mining Limited.

The Directors also anticipate the support of its major shareholders and believe that the Company's ability to raise an appropriate level of funding to execute its plans and continue its activities is reasonable.

The annual report has been prepared on a going concern basis taking into account the factors outline in the assessment above.

Should the Company be unable to secure additional funding, it results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business at amounts stated in the half-year report.

The annual report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

The Company's auditors have referred to this section when completing their report on the Company's annual report.

(c) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Zuleika Gold Limited (ZAG or the Company) and the Company's subsidiaries, if any. At balance date the Company did not have any subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(c) Principles of consolidation (continued)

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the full Board of Directors.

(e) Income tax

The income tax expense or revenue for the year is the tax payable on the current year’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company’s subsidiaries and associates (if any) operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group’s share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(i) Trade and other receivables

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms.

(j) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate (%)
Plant and equipment	25.00 – 33.33

(k) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Recognition, initial measurement and derecognition

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(k) Financial instruments (continued)

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(l) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, 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 year.

ii. 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.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or 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 taxation authority, are presented as operating cash flows.

(n) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

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

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities directly related to each area of interest. Consultants' fees related to the overall exploration programs are allocated across the tenements on a pro-rata basis. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The assessment of impairment indicators as per AASB 6 is undertaken at least annually. Where there are impairment indicators, the recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to

- (i) abandon the entire area of interest; or
- (ii) allow the entire area of interest expires without renewal; or
- (iii) it is reasonably likely that the area of interest will expiry in the near future; or
- (iv) a decision is made to no longer undertaken exploration work.

Then the exploration and evaluation assets will be written off.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(o) Trade and other payables

Trade payables and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(p) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(q) Intangible assets

Costs associated with developing the Company's website are recognised as an asset as incurred. External development costs that are directly attributable to the manufacture of the website are recognised as intangible assets.

The Company amortises intangible assets with limited useful lives using the straight-line method over 3 years.

(r) Leases

For any new contracts entered into each year, the Company must consider whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company must assess whether the contract meets three key evaluation which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset through the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of lease as a lease

At the commencement of the lease, the Company recognises a right to use asset and a lease liability on the balance sheet. The right to use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial costs incurred by the Company, an estimate of any cost to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement dates.

The Company depreciates the right-of-use-assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The Company also assesses the right-of-use assets for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of the fixed payments, variable payments based on an index and amounts expected to be payable under a residual value guarantee. Payments which are subject to an option will only be included if there is strong objective evidence to suggest that option will be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset has been reduced to zero.

The Company has elected to account for short term leases and leases of low value asset using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit and loss on a straight line basis over the lease term.

On the statement of financial position, a right -of-use asset is included in property, plant and equipment and the lease liability is classified separately.

(s) New and revised accounting standards adopted by the Company

The Company has adopted all new standards or interpretations. No standard has had an impact on the financial statements.

(t) Other standards not yet applicable

The Company has not early adopted any new pronouncements for this reporting period.

(u) Critical accounting judgements, estimates and assumptions

The preparation of these 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(u) Critical accounting judgements, estimates and assumptions (continued)

Capitalised exploration and evaluation expenditure

The Company has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation expenditure through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payments

The Company measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instruments at the date at which they are granted if the fair value is not present in the agreement. The fair value is determined using a recognised pricing model.

Environmental rehabilitation provisions

The Company assesses its rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases/decreases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the future rehabilitation costs required. Changes to estimated future costs are recognised in the Statement of Financial Position by adjusting the rehabilitation asset and liability.

Deferred taxation

Deferred tax assets are only recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

2. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity 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.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all Board members to be involved in this process. The Chair, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

i. Foreign exchange risk

As all operations are currently within Australia the Company is not exposed to foreign exchange risk.

ii. Price risk

The Company is exposed to gold commodity price risk. The gold price can be volatile and influenced by factors beyond the Company's control. As the Company is engaged in exploration and development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

iii. Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. Company policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. Of the year-end balance of cash and cash equivalents and non-current term deposits for the Company, \$823,297 is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Company was approximately 1.82%.

Sensitivity analysis

As at 30 June 2023, if interest rates had changed by +/-25 basis points with all other variables held constant, the loss for the Company would have been approximately \$5,657 lower or alternatively \$5,744 higher as a result of lower/higher interest income from cash and cash equivalents and non-current deposits.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's main exposure to credit risk is through the investment of our surplus funds. To minimise this risk the Company only invests with counterparties that have an acceptable credit rating.

As the Company does not presently have any significant debtors, lending or significant stock levels, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration and development, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables and lease liabilities as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at balance date are recorded at amounts approximating their carrying amount.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

3. Segment Information

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

	2023	2022
	\$	\$
Revenue		
From continuing operations		
Exploration and evaluation	38,479	8,824
Profit / (loss)		
From continuing operations		
Exploration and evaluation	(1,045,224)	(3,371,539)
Total Assets		
From continuing operations		
Exploration and evaluation	8,435,540	9,545,057
Total Liabilities		
From continuing operations		
Exploration and evaluation	(509,024)	(627,835)

4. Loss from continuing operations

	2023	2022
	\$	\$
Loss from continuing operations before income tax has been determined after:		
(a) Revenue		
Interest revenue	38,479	8,824
(b) Expenses		
Depreciation and amortisation	20,166	72,663

5. Income Taxes

	2023	2022
	\$	\$
Income tax recognised in profit or loss		
(a) Income tax expense comprises:		
Current tax expense	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total tax benefit	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(1,045,224)	(3,371,539)
Prima facie tax benefit at the Australian tax rate of 25% (2022: 25.0%)	(261,306)	(842,885)
Adjustment of prior year income tax losses	(48,700)	216,732
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	6,129	310,731
Entertainment	475	1,712
Non-assessable income	-	-
Movements in unrecognised temporary differences	(303,402)	(313,710)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	(561,754)	(521,026)
Income tax benefit	865,156	834,736
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

5. Income Taxes (continued)

	2023 \$	2022 \$
(c) Unrecognised deferred tax balances		
Deferred Tax Assets (at 25.0%, 2022:25%)		
<i>On Income Tax Account</i>		
Legal expenses	271,244	337,622
Plant and equipment	474	
Provision for expenses	56,123	57,432
Provision for impairment of loans	37,991	37,991
Provision for doubtful debts	147,939	147,939
Capital raising costs	29,179	45,517
Carry forward revenue and capital tax losses	9,536,920	8,591,388
	10,079,870	9,217,889
Deferred Tax Liabilities (at 25.0%, 2022: 25%)		
Prepayments	2,210	2,577
Unearned income	1,777	734
Tenement acquisition costs	1,880,261	1,402,734
	1,884,248	1,406,045

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that taxable profits will be available against which deductible temporary differences and tax losses can be utilised.

The Company's ability to use losses in the future is subject to the Company satisfying the relevant tax authority's criteria for using these losses.

6. Current assets: Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank and on hand (i)	499,525	1,537,129
Bank short term deposits (ii)	323,772	2,200,000
	823,297	3,737,129

(i) Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

(ii) Available at call.

7. Current assets: Other receivables

	2023 \$	2022 \$
Exploration expenditure re-charged to Vango Mining Ltd	151,962	151,962
Provision for non-recovery	(151,962)	(151,962)
Interest receivable	7,108	2,936
Sundry receivables	57,615	174,217
	64,723	177,153

No receivables are considered past due other than those provided for and there are no expected credit losses.

8. Non-current assets: Property, plant & equipment

	2023 \$	2022 \$
Right of use assets – at cost	186,769	158,499
Less: Accumulated depreciation	(173,919)	(158,499)
	12,850	-
Plant & equipment – at cost	33,967	33,967
Less: Accumulated depreciation	(33,162)	(31,953)
	805	2,014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

Non-current assets: Property, plant & equipment

8. (continued)	2023 \$	2022 \$
Reconciliation/movement for the year		
Carrying amount at beginning of year	2,014	4,364
Additions	-	-
Disposals	-	-
Recognition of right to use asset	28,270	68,530
Depreciation charge	(16,629)	(70,880)
	<u>13,655</u>	<u>2,014</u>
Carrying amount at end of year	<u>13,655</u>	<u>2,014</u>

9. Non-current assets: Capitalised mineral exploration and evaluation expenditure

	2023 \$	2022 \$
Tenement acquisition costs carried forward in respect of mining areas of interest		
Opening balance	5,610,934	4,352,843
Tenement acquisition costs ¹	-	18,365
Add: Amount capitalised during the period ²	1,921,152	2,223,455
Less: write off of exploration assets ³	(11,043)	(983,729)
	<u>7,521,043</u>	<u>5,610,934</u>
Closing net book amount	<u>7,521,043</u>	<u>5,610,934</u>

¹ During the prior period the Company paid \$31,818 in cash and agreed to issue 572,362 fully paid ordinary shares for the acquisition for the Ora Banda area of interest.

² Exploration and evaluation costs capitalised during the year.

³ During the prior period the Company re-assessed its areas of interest and determined that the disappointing results of the exploration programs undertaken on the Ruby Plains Project warranted a decision regarding the retention (or otherwise) of the project. The amount recorded in the balance sheet as an asset has been written off as at 30 June 2022. An amount of \$11,043 was written off as the projects did not meet the Company's capitalisation criteria during 2023.

⁴ On 2 February 2022, the Company issued 500,000 fully paid ordinary shares to acquire the gold rights for ML29/417 and ML29/418. The fair value of the consideration is \$18,365.

10. Other assets	2023 \$	2022 \$
Prepayments	8,839	10,307
Loan to franchisees	92,052	92,052
Provision for impairment	(92,052)	(92,052)
Loan to Aurigin Foods Pty Ltd	499,704	499,704
Provision for impairment	(499,704)	(499,704)
	<u>8,839</u>	<u>10,307</u>

11. Intangible assets	2023 \$	2022 \$
Website – at cost	10,611	10,611
Less: Accumulated depreciation	(6,628)	(3,091)
	<u>3,983</u>	<u>7,520</u>

Reconciliation/movement for the year		
Carrying amount at beginning of year	7,520	9,303
Additions	-	-
Disposals	-	-
Depreciation charge	(3,537)	(1,783)
	<u>3,983</u>	<u>7,520</u>
Carrying amount at end of year	<u>3,983</u>	<u>7,520</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

	2023	2022
	\$	\$
12. Current liabilities: Trade and other payables		
Trade payables (i)	232,994	392,758
Other payables and accruals	261,282	235,077
	<u>494,276</u>	<u>627,835</u>

(i) Trade payables of \$74,419 were past due over 30 days as at 30 June 2023 (2022: \$10,353)

13. Provisions

	2023	2022
	\$	\$
Provisions		
Current Provisions	-	-
Total	<u>-</u>	<u>-</u>

The Company has used the entire provision during the prior year with the completion of the trial proceedings.

Reconciliation/movement for the year

Carrying amount at beginning of year	-	700,000
Additions	-	-
Less: Amounts used during the year	-	(700,000)
Less: Amounts reversed	-	-
Carrying amount at end of year	<u>-</u>	<u>-</u>

14. Lease liability

	2023	2022
	\$	\$
Current		
Lease liability	14,748	-
	<u>14,748</u>	<u>-</u>
Reconciliation/movement for the year		
Opening balance	-	-
Amounts recognised for new leases	28,270	68,530
Less: amount repaid	(13,522)	(68,530)
Other movements	-	-
Closing balance at end of year	<u>14,748</u>	<u>-</u>
Interest cost incurred for the year	<u>1,930</u>	<u>3,099</u>

The Company entered into a new lease on 18 July 2022. The key inputs to the calculation are as follows:

Time Period: 24 months from 18 July 2022
 Rate: Implicit interest rate of 6.15%
 Fair Value of leases: \$28,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

15. Issued capital

(a) Equity (number of shares on issue and the amount paid (or value attributed) for the shares)

523,050,625 fully paid ordinary shares (30 June 2022: 521,550,625)

(b) The following changes to the shares on issue and the attributed value during the periods:

	2023 Number	2022 Number	2023 \$	2022 \$
Balance at the beginning of the year	521,550,625	410,093,373	38,078,799	34,746,551
Conversion of options to shares ¹	-	3,000,000	-	60,000
Issue of share for acquisition of gold rights ²	-	500,000	-	18,365
Issue of shares to extinguish debt ³	-	732,000	-	21,960
Issue of shares in a placement ⁴	-	100,000,000	-	3,000,000
Issue of shares to director ⁵	-	1,153,846	-	36,923
Issue of shares to director ⁶	-	3,750,000	-	120,000
Issue of shares to extinguish debt ⁷	-	2,321,406	-	75,000
Issue of share to directors ⁸	1,000,000	-	22,000	-
Issue of shares to extinguish debt ⁹	500,000	-	10,000	-
Sub-total	<u>523,050,625</u>	<u>521,550,625</u>	<u>38,110,799</u>	<u>38,078,799</u>

- On 25 January 2022 the Company issued 3,000,000 fully paid ordinary shares on the conversion of options at an issue price of \$0.02 per share.
- On 2 February 2022 the Company issued 500,000 fully paid ordinary shares at a fair value of \$18,365 in consideration for the acquisition of gold rights on two mining tenements, ML29/417 & ML29/418.
- On 23 and 24 March 2022 the Company issued 732,000 fully paid ordinary shares to extinguish creditors at a fair value of \$21,960.
- Following the receipt of shareholder approval on 18 March 2022, on 25 March 2022 the Company issued 100,000,000 fully paid ordinary shares at an issue price of \$0.03 per share to raise \$3,000,000.
- Following the receipt of shareholder approval on 18 March 2022, on 25 March 2022 the Company issued 1,153,846 fully paid ordinary shares pursuant at a fair value of \$36,923 to Mr Graeme Purcell pursuant to his consulting agreement as an annual bonus.
- Following the receipt of shareholder approval on 18 March 2022, on 25 March 2022 the Company issued 3,750,000 fully paid ordinary shares at a fair value of \$120,000 to Ms Hui Guo and Mr Graeme Purcell to provide executive directors with an incentive.
- On 20 April 2022 the Company issued 2,321,406 fully paid ordinary shares to extinguish creditors at a fair value of \$75,000.
- On 13 December 2022 after receiving shareholder approval on 23 November 2022, the Company issued 1,000,000 fully paid shares to Mr Jonathan Lea as part of his employment contract.
- On 13 December 2022 after board approval, the Company issued 500,000 shares to extinguish creditors at a fair value of \$10,000.

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

16. Reserves

	2023 \$	2022 \$
Option reserves (a)	4,492,395	4,459,891
Other reserves (b)	1,294,698	1,304,684
	<u>5,787,093</u>	<u>5,764,575</u>

(a) The following changes to the options on issue and the attributed value during the periods:

	2023 Number	2022 Number	2023 \$	2022 \$
Balance at the beginning of the year	122,400,000	143,500,000	4,459,891	4,458,445
Options issues to directors ¹	-	1,000,000	-	1,446
Expiry and exercise of options	-	(22,100,000)	-	-
Options issues to directors ²	2,000,000	-	24,483	-
Options issues to consultants ³	500,000	-	5,347	-
Options issues as remuneration to employee ⁴	250,000	-	2,674	-
Expiry of options	(11,200,000)	-	-	-
Sub-total	<u>113,950,000</u>	<u>122,400,000</u>	<u>4,492,395</u>	<u>4,459,891</u>
Balance at the end of the year	<u>113,950,000</u>	<u>122,400,000</u>	<u>4,492,395</u>	<u>4,459,891</u>

- On 8 March 2021 the Company engaged Mr Graeme Purcell under a consulting agreement. The agreement included the issue of 1 million options at an exercise price of \$0.10 per option with an expiry date 3 years from the date of issue. The Company received shareholder approval on 19 November 2021 and the updated final valuation of the options using a Black Scholes Option Pricing model using the following inputs:
 - Grant Date - 19 November 2021
 - Expiry date - 3 years after the date of issue
 - Market price of securities - \$0.020
 - Exercise price of securities - \$0.10
 - Risk free rate - 0.10%
 - Volatility - 79.28%
 A provisional expense amount of \$1,682 was recognised in the 2021 financial year with the remaining balance expensed in the current period.
- The Company has issued 2,000,000 options on 13 December 2022 to Jonathan Lea after receiving shareholder approval on 23 November 2022. The options will have an exercise price of \$0.06 and expire 3 years after issue. The fair value of each option is \$0.0122 and the total cost for the period was \$24,483. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
 - Grant Date - 23 November 2022
 - Expiry date - 30 November 2025
 - Market price of securities - \$0.022
 - Exercise price of securities - \$0.06
 - Risk free rate - 3.27%
 - Volatility - 120.04%
- On 13 December 2022 the Company issued 500,000 options to consultants for IT services with an exercise price of \$0.06 expiry on 30 November 2025. The fair value of each option is \$0.0107 and the total cost for the period was \$5,347. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
 - Grant Date - 13 December 2022
 - Expiry date - 30 November 2025
 - Market price of securities - \$0.02
 - Exercise price of securities - \$0.06
 - Risk free rate - 3.12%
 - Volatility - 120.45%
- On 13 December 2022 the Company issued 250,000 options to an employee with an exercise price of \$0.06 expiry on 30 November 2025. The fair value of each option is \$0.0107 and the total cost for the period was \$5,347. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
 - Grant date - 13 December 2022
 - Expiry date - 30 November 2025
 - Market price of securities - \$0.02
 - Exercise price of securities - \$0.06
 - Risk free rate - 3.12%
 - Volatility - 120.45%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

16. Reserves (continued)

(b) Performance rights

	2023 Number	2022 Number	2023 \$	2022 \$
Balance at the beginning of the year	28,000,000	32,000,000	1,304,684	250,129
Rights granted during the prior periods ¹	-	-	(9,986)	3,750
Rights granted during the prior year ²	-	-	-	1,057,041
Rights forfeited during the prior year ³	-	(4,000,000)	-	(6,236)
Balance as at year end	28,000,000	28,000,000	1,294,698	1,304,684

1. On 19 December 2019 the Company obtained shareholder approval to issue 8,000,000 Performance Rights to Hui Guo and Malcolm Carson based on the following hurdles.

Class of Rights	Hurdle	Number	Fair value	Probability
Class A	48 Months – Defined JORC Resource of 25,000 ounces above 1 gmpt	2,000,000	\$0.015 per Right	100%
Class B	48 Months – Defined JORC Resource of 55,000 ounces above 1 gmpt	2,000,000	\$0.015 per Right	-%
Class C	48 Months – Defined JORC Resource of 75,000 ounces above 1 gmpt	2,000,000	\$0.015 per Right	-%
Class D	48 Months – Defined JORC Resource of 100,000 ounces above 1 gmpt	2,000,000	\$0.015 per Right	-%

The Company continues to monitor the performance of the hurdles during the period and that determined that it is likely that no Rights will vest and has adjusted the probability to zero.

Class A Performance Rights were being expenses over the vesting period but have subsequently been reversed. The reversal to the expense for the current period is (\$9,986) (2022: \$3,750)

2. On 11 December 2020, the Company obtained shareholder approval to issue 24,000,000 Performance Rights (8,000,000 per class and 12,000,000 per Director) to two Directors in order to provide a performance linked incentive component in their remuneration package. The Performance Rights will vest and convert into shares upon satisfaction of the milestones listed below:

The fair value of the Performance Rights was determined using a Monte Carlo simulation model with each hurdle valued as follows:

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
VWAP Milestone (\$) *	0.06	0.08	0.10
Methodology	Monte Carlo	Monte Carlo	Monte Carlo
Simulation iterations	50,000	50,000	50,000
Grant date	11 Dec 20	11 Dec 20	11 Dec 20
Assumed expiry date	11 Dec 23	11 Dec 23	11 Dec 23
Share price at grant date (\$)	0.06	0.06	0.06
Exercise price (\$)	Nil	Nil	Nil
Risk-free rate (%)	0.1001	0.1001	0.1001
Volatility (%)	84.96	84.96	84.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

16. Reserves (continued)

Fair value of the Performance Rights (continued):

Fair value per security (\$)	0.0577	0.0539	0.0502
Fair value (\$)	461,958	431,136	401,604

* The volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days must exceed the milestone.

The fair value of the Performance Rights is being expensed over the assumed vesting period.

- On 10 February 2022, the Company announced the passing of Mr Malcom Carson, executive Chairman of the Company. As a result, 4,000,000 Performance Rights granted during the 30 June 2020 financial year were forfeited and the \$6,236 expensed in the prior period has been reversed.

(c) The following are changes to options issue at no cost during the periods:

	2023	2022	2023	2022
	Number	Number	\$	\$
Balance at the beginning of the year	136,363,638	49,696,971	-	-
Issue of Options ¹	-	100,000,000	-	-
Expiry of options ²	-	(13,333,333)	-	-
Expiry of options ³	(36,563,638)	-	-	-
Balance as at 30 June 2023	99,800,000	136,363,638	-	-

- On 25 March 2022 the Company issued 100,000,000 free attaching options with an exercise price of between \$0.05 and \$0.10 per option to shareholders expiring on 28 February 2025.
- On 31 March 2022, options expired without being exercised.
- On 31 January 2022, options expired without being exercised.

Weighted average exercise of options on issue

	2023	2023	2022	2022
	Number	Exercise Price \$	Number	Exercise Price \$
Balance at the beginning of the year	258,763,638	0.069	193,196,971	0.068
Expiry and conversion of options			(35,433,333)	(0.041)
Options issued to shareholders	-	-	50,000,000	0.050
Options issued to shareholders	-	-	30,000,000	0.070
Options issued to shareholders	-	-	20,000,000	0.100
Options issued to director	-	-	1,000,000	0.100
Options issued to director	2,000,000	0.06		
Options issued to consultants	500,000	0.06		
Options issued to employee	250,000	0.06		
Expiry of options	(57,763,638)	-		
Balance as at end of the year	203,750,000	0.058	258,763,638	0.069

17. Risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

17. Risk management

	2023 \$	2022 \$
Cash and equivalents	823,297	3,737,129
Trade and other receivables	57,615	177,217
Trade and other payables	(494,276)	(627,835)
Leases	(14,748)	-
Working capital position	<u>371,888</u>	<u>3,283,511</u>

18. Dividends

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

19. Key management personnel disclosures

	2023 \$	2022 \$
(a) Key management personnel compensation		
Short-term benefits	706,355	600,652
Post-employment benefits	31,629	8,835
Share-based payments	(15,503)	1,242,924
	<u>722,481</u>	<u>1,852,411</u>

Detailed remuneration disclosures are provided in the remuneration report within the Directors' Report.

(b) Loans to key management personnel

There were no loans to key management personnel during the year.

(c) Transactions with key management personnel

- Mr Jonathan Lea, the Managing Director from 18 July 2022 was paid a salary of \$229,231 plus superannuation of \$24,069.
- Ms Guo was paid \$238,500 (2022: \$231,000) in Director's fees and consulting fees at normal commercial rates and superannuation at the statutory rate. At 30 June 2023, there was \$3,315 outstanding to Ms Guo.
- Mr Higginson was paid a total of \$30,762 (2022: \$44,984) in company secretarial fees at normal commercial rates and directors fees for the period in July 2022 in which he was a director. At 30 June 2023, there was \$1,613 (excl. GST) owing to Mr Higginson.
- Mr Purcell was paid \$168,500 (2022: 168,500) in Director's fees and consulting fees at normal commercial rates and superannuation at the statutory rate. At 30 June 2023, there was nil outstanding.
- Mineral Resource Consultants Pty Ltd, a company with which the Company's previous Chairman Malcolm Carson is associated, was paid \$133,500 in the period in director's and consulting fees at normal commercial rates and superannuation at the statutory rate. At 30 June 2022, there was nil outstanding to Mineral Resource Consultants Pty Ltd.

20. Remuneration of auditors

	2023 \$	2022 \$
Audit and review of the financial report	26,513	45,000
Agreed upon procedures	15,000	-
	<u>41,513</u>	<u>45,000</u>

The auditor of Zuleika Gold Limited is Hall Chadwick WA (Stanton's International Audit and Consulting Pty Ltd in the prior year).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

21. Commitments and contingencies

	2023	2022
	\$	\$
(a) Exploration commitments		
Not longer than 1 year	1,217,882	1,455,679
Longer than 1 year and not longer than 5 years	1,695,821	2,904,007
Greater than 5 years	968,475	1,455,827
	3,882,178	5,815,513
(b) Contingencies		

At balance date there are no contingent assets or liabilities (other than as disclosed below).

Following the sale of DPPL to Vango, the Company has a contingent asset of \$6m in the form of additional consideration of up to \$4m and a royalty of up to \$2m.

The \$4m consideration comprises the following amounts to be paid by Vango:

- \$1,000,000 (excluding GST) on production of a total of 45,000 ounces of gold from the Project tenements;
- \$1,000,000 (excluding GST) on production of a total of 100,000 ounces of gold from the Project tenements;
- \$1,000,000 (excluding GST) on production of a total of 200,000 ounces of gold from the Project tenements; and
- \$1,000,000 (excluding GST) on production of a total of 300,000 ounces of gold from the Project tenements.

The \$2m royalty is payable by Vango in gold or cash on overall production from the Project tenements as follows:

- 1.0% on each ounce of gold produced from the Project tenements as of the date of issue of the mint receipt, calculated at the London Spot Fix AM (USD/oz) on that day, where the London Spot Fix AM (USD/oz) is equal to or greater than US\$1,175/oz, or
- 2.0% on each ounce of gold produced from the Project tenements as of the date of issue of the mint receipt, calculated at the London Spot Fix AM (USD/oz) on that day, where the London Spot Fix AM (USD/oz) is equal to or greater than US\$1,250/oz, or
- 3.0% on each ounce of gold produced from the Project tenements as of the date of issue of the mint receipt, calculated at the London Spot Fix AM (USD/oz) on that day, where the London Spot Fix AM (USD/oz) is equal to or greater than US\$1,400/oz, or
- 4.0% on each ounce of gold produced from the Project tenements as of the date of issue of the mint receipt, calculated at the London Spot Fix AM (USD/oz) on that day, where the London Spot Fix AM (USD/oz) is equal to or greater than US\$1,500/oz.

Contingent liabilities

K2 Project / PHB-1 Project: The Company has provided updates to shareholders through the ASX announcement dated 19 November 2019, 12 February 2020, 26 May 2020, 3 August 2020, 11 November 2020, 30 June 2021 and 16 May 2022 regarding the Vango Mining Limited ("Vango") matter. On 1 November 2022, the Company announced that it had been successful in its litigation against Vango Mining Limited (**Vango**) (ASX: VAN) and its wholly owned subsidiary Dampier (Plutonic) Pty Ltd.

The WA Supreme Court Trial judgement was delivered on 31 October 2022 which included:

- (i) that Zuleika Gold was entitled to a 4.1% stake in M52/183;
- (ii) ordered Vango to promptly transfer the 4.1% stake to Zuleika;
- (iii) that Vango breached the terms of and wrongfully repudiated the Binding Term Sheet (**BTS**); and
- (iv) ordered that the issue of legal costs of the trial would be determined after submissions from the parties and to be paid by Vango to Zuleika Gold

Subsequent to the 1 November announcement, the Company outlined that an appeal was lodged by Vango against a discrete aspect of the judgement which relates to the finding that a "Joint Venture Interest" pursuant to the Binding Term Sheet which entitles the Company to an immediate transfer of the 4.1% interest in the K2 Project / PHB-1 Project. The appeal is expected to be heard later in this calendar year.

The Company was successful in its special cost order and has received confirmation from the Supreme Court of its Bill of Costs and is seeking to enforce the costs order against Vango.

No asset has been recorded in the financial report for this value as the outcome is unknown. In the event that the dispute does not conclude satisfactorily for the Company, material additional costs may be incurred.

The Company may be liable to pay special consideration as defined in the Auracle Group loan agreement as outlined in note 22 (c) below in the event that there is a favourable outcome in the Vango proceedings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

22. Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 19.

(b) Loans to and transactions with related parties

Disclosures relating to key management personnel are set out in note 19.

During the period the Company incurred office rent of \$5,200 for the month of July before the lease ceased.

At 30 June 2023, there were no amounts outstanding to Ms Guo for office rent.

The Company had no outstanding receivables from its directors or other related parties as at 30 June 2023.

(c) Auracle loan

The Auracle loan remained in place during this financial year. Auracle Group Pty Limited is associated with the Company's executive chair, Hui Guo.

The Loan Agreement is structured as follows:

- (a) an initial advance by Auracle Group to the Company of \$300,000 was converted to equity by the issue of 10,000,000 shares at an issue price of \$0.03 per share and the issue of 80,000,000 options each exercisable at \$0.05 and expiring 14 December 2025. Information on issue of shares is in note 15(a) and the fair value and information for the options is in note 16(a);
- (b) at Auracle Group's sole discretion, a loan facility of up to \$700,000 which may be drawn down by the Company over a 5-year period starting from the date of the Loan Agreement, after approval was obtained from shareholders on 11 December 2020. The maximum aggregate face value is up to \$700,000, depending on the litigation funding requirements;
- (c) On 11 December 2020, 1,000,000 shares at an issue price of \$0.03 per share were issued to Auracle Group in consideration for the payment of a loan facility fee of \$30,000.
- (d) Interest is payable at 8% per annum and is accrued and calculated monthly for the date of each advance.

On successful completion of court proceedings with Vango or a settlement in favour of the Company (**Settlement**), Auracle Group is entitled to receive special consideration for providing the Loan as calculated below (**Special Consideration**).

If the amount provided by Auracle Group under the Loan Agreement covers 100% of the Action Costs, the Special Consideration is:

- 35% of the amount recovered either through the ultimate judgement or a settlement (**Recovery**);
- Repayment of the Loan Agreement plus accrued interest.

All of the Special Consideration is paid in cash.

If the amount provided by Auracle Group under the Loan Agreement covers part but not all of the Action Costs, the Special consideration is calculated based on:

- the lower of 35% Recovery; or
- an amount equal to 5 multiples of the total Litigation Funds plus accrued interest;
- repayment in full of the total drawn down amount under the Loan Agreement plus accrued interest.

In the event of an unsuccessful completion of litigation or settlement which is not in favour of the Company:

- Auracle Group is not entitled to receive a payment of any Special Consideration; and
- the Company bears any costs related to the litigation in excess of the Loan Agreement.

As at 30 June 2023 there has been no draw down on the loan facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

23. Subsequent events

On 31 August 2023, the Company announced the resignation of its Managing Director, Mr Jonathan Lea, and the appointment of Michael Higginson as a Non-executive Director.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

24. Notes to the statement of cash flows

	2023 \$	2022 \$
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Loss for the year	(1,045,224)	(3,371,539)
Adjusted for:		
Depreciation and amortisation	20,166	72,663
Share-based payments	44,518	1,242,924
Reversal of Share-based payments accrual	(30,000)	-
Settlement of debts via equity	10,000	96,960
Impairment of exploration expenditure	11,043	983,730
Change in operating assets and liabilities		
Decrease / (Increase) in trade and other assets	112,430	(33,577)
Decrease / (Increase) in prepayments	1,468	(2,192)
(Decrease) in trade and other payables	(160,453)	(21,049)
(Decrease) in provisions	-	(700,000)
Net cash outflow from operating activities	(1,036,052)	(1,732,080)

Non-cash investing and financing activities

The following non-cash activities occurred during the prior year and current year:

Prior year

- On 2 February 2022 the Company issued 500,000 fully paid ordinary shares at a fair value of \$18,365 in consideration for the acquisition of gold rights on two mining tenements, ML29/417 & ML29/418.

Current year

- There were no non-cash transactions for the year.

25. Profit/(loss) per share

From continuing operations

	2023 \$	2022 \$
Basic (cents per share)	(0.20)	(0.77)
Diluted (cents per share)	(0.20)	(0.77)

The average market price of the Company's shares did not exceed the exercise price of any of the options on issue at 30 June 2023.

(a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(1,045,224)	(3,371,539)
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(b) Weighted average number of shares used as the denominator

	2023 No. of shares	2022 No. of shares
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	522,372,543	440,412,327

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2023

26. Share-based payments

(a) Employees and contractor's equity instruments

The Company has issued a number of securities to directors and contractors during the year and the information in relation to these transactions are outlined in notes 15 (b) and 16 (a) and (b).

(b) Share based payment expense

The total expense recognised for the period for historical Rights was (\$9,986), for unlisted options, \$32,504 for issued shares and \$32,000, reversal of accrual (\$30,000), totalling \$24,518.

Reconciliation of expense in the statement of profit or loss

	June 2023 Number	June 2023 \$
Issue of options to director	2,000,000	24,483
Issue of options to consultants and employee	750,000	8,021
Issue of shares to director for incentives	1,000,000	22,000
Issue of shares to consultants	500,000	10,000
Issue of performance rights to directors 2019 (current year reversal)	-	(9,986)
Reversal of proposed issue of securities to Mr Purcell	-	<u>(30,000)</u>
Share based payments expense in the profit and loss		<u>24,518</u>

Reconciliation of expense in the statement of profit or loss

	June 2022 Number	June 2022 \$
Options to be issued to director (current year amortisation)	1,000,000	1,446
Issue of performance rights to directors 2020 (current year amortisation)	-	1,057,041
Issue of shares to director for incentives	4,903,846	156,923
Issue of performance rights to directors 2019 (current year amortisation)	-	(2,486)
Proposed issue of securities to Mr Purcell	-	<u>30,000</u>
Share based payments expense in the profit and loss		<u>1,242,924</u>

27. Subsidiary information

The Company has the following subsidiary:

Name	Country of Incorporation	% Equity interest		\$ investment	
		2023	2022	2023	2022
Quarry Master Mining Pty Ltd	Australia	100	100	100	100

This subsidiary was dormant during the year.

DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards and International Financial Reporting Standards as disclosed in note 1(a) and give a true and fair view of the financial position of the Company as at 30 June 2023 and its performance for the year ended on that date;
- (c) the audited remuneration disclosures set out in the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Act and Regulations 2001; and
- (d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001 for the year ended 30 June 2023.

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

On behalf of the Directors



Annie Hui Guo
Executive Chair
29 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZULEIKA GOLD LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Zuleika Gold Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2023 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1a.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1b in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,045,224 during the year ended 30 June 2023. As stated in Note 1b, these events or conditions, along with other matters as set forth in Note 1b, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration and Evaluation Expenditure</p> <p>As disclosed in note 9 to the financial statements, as at 30 June 2023, the Consolidated Entity's exploration and evaluation expenditure was carried at \$7,521,043.</p> <p>The recognition and recoverability of the exploration and evaluation expenditure was considered a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the balance to the Consolidated Entity's consolidated financial position. The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which 	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6"); Assessing the Consolidated Entity's rights to tenure; Testing the Consolidated Entity's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB By testing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: <ul style="list-style-type: none"> The licenses for the rights to explore expiring in the near future or are not expected to be renewed; Substantive expenditure for further exploration in the area of interest is not budgeted or planned; Decision or intent by the Consolidated Entity to discontinue activities in the

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>must be complied with for capitalised expenditure to continue to be carried as an asset.</p> <ul style="list-style-type: none"> The assessment of impairment of exploration and evaluation expenditure being inherently difficult. 	<p>specific area of interest due to lack of commercially viable quantities of resources; and</p> <ul style="list-style-type: none"> Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale. We also assessed the appropriateness of the related disclosures in note 9 to the financial statements.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 29th day of September 2023

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 7 September 2023.

(a) Distribution schedule and number of holders of equity securities as at 7 September 2023

	1 - 1,000	1,001 - 5,000	5,001 - 10,000	10,001 - 100,000	100,001 and over	Total
Fully Paid Ordinary Shares	35	45	91	490	366	1,027
Options expiring 14 Dec 2023 (\$0.05)	-	-	-	-	1	1
Options expiring 14 Dec 2025 (\$0.05)	-	-	-	-	1	1
Options expiring 28 Feb 2025 (\$0.05)	-	-	-	-	1	1
Options expiring 28 Feb 2025 (\$0.07)	-	-	-	-	1	1
Options expiring 28 Feb 2025 (\$0.10)	-	-	-	-	1	1
Options expiring 25 Mar 2025 (\$0.10)	-	-	-	-	1	1
Performance rights	-	-	-	-	2	2

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 7 September 2023 is 421.

(b) 20 Largest holders of quoted equity securities as at 7 September 2023

The names of the twenty largest holders of fully paid ordinary shares are:

Rank	Name	Units	% of Units
1	YANDAL INVESTMENTS PTY LTD	100,000,000	19.12
2	CHEN & QIN GOODLIFE FAMILY PTY LTD	23,533,017	4.5
3	AURACLE GROUP PTY LTD	22,243,992	4.25
4	MS QIAN HUANG	16,567,247	3.17
5	BNP PARIBAS NOMINEES PTY LTD	16,126,167	3.08
6	GLENEAGLE SECURITIES NOMINEES PTY LIMITED	13,600,000	2.6
7	DEZHI QIU	12,510,747	2.39
8	ENTERPRISE NO 2 PTY LIMITED	10,000,000	1.91
9	FUNG LIN WAH GROUP LIMITED	8,400,000	1.61
10	COLUMBUS MINERALS PTY LTD	8,321,982	1.59
11	YAO DONG LIN	8,000,000	1.53
12	SPINITE PTY LTD	7,000,000	1.34
13	CCGF HOLDING PTY LIMITED	6,448,210	1.23
14	MR ZHONGJIE GUO	6,148,358	1.18
15	HUI GUO	6,000,000	1.15
16	MOTTE & BAILEY PTY LTD <BAILEY SUPER FUND A/C>	5,050,000	0.9
17	NEWMERK INVESTMENTS PTY LTD	4,712,303	0.90
18	GLENEAGLE SECURITIES NOMINEES PTY LIMITED	4,545,454	0.87
19	BNP PARIBAS NOMINEES PTY LTD	4,486,005	0.86
20	HONGLAN LIU	4,468,182	0.85
	Total	288,161,664	55.09

Australian Securities Exchange Listing – Official Quotation has been granted to 523,050,625 ordinary fully paid shares.

(c) Substantial Shareholders

Substantial shareholders in Zuleika Gold Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

Substantial Shareholder	No of Shares Held
Yandal Investments Pty Ltd	100,000,000

ASX ADDITIONAL INFORMATION

(d) Unquoted Securities

There are 201,750,000 unquoted options and 28,000,000 unquoted performance rights on issue as at 7 September 2023.

(e) Names of persons holding more than 20% of a given class of unquoted securities (other than incentive securities issued to employees) as at 7 September 2023

Options expiring 14 Dec 2023 (\$0.05) – Auracle Group Pty Ltd holds 100% of the 20,000,000 options on issue

Options expiring 14 Dec 2025 (\$0.05) – Auracle Group Pty Ltd holds 100% of the 80,000,000 options on issue

Options expiring 28 Feb 2025 (\$0.05) – Yandal Investments Pty Ltd holds 100% of the 50,000,000 options on issue

Options expiring 28 Feb 2025 (\$0.07) – Yandal Investments Pty Ltd holds 100% of the 30,000,000 options on issue

Options expiring 28 Feb 2025 (\$0.10) – Yandal Investments Pty Ltd holds 100% of the 20,000,000 options on issue

Other than classes of incentive securities issued to employees, there are no other classes of unquoted securities on issue as at 7 September 2023.

(f) Restricted Securities at 7 September 2023

There are no restricted securities on issue as at 7 September 2023.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

(h) Company Secretary

The Company Secretary is Mr Michael Higginson.

(i) Registered Office

The Company's Registered Office is Level 1, 8 Kings Park Road, West Perth, Western Australia 6005.

(j) Share Registry

The Company's Share Registry is:
Advanced Share Registry
110 Stirling Highway
Nedlands, Western Australia, 6009
+61 8 9389 8033 (Telephone)
*61 8 9262 3723 (Facsimile)
www.advancedshare.com.au

(k) On-Market Buy-back

The Company is not currently performing an on-market buy-back.

(l) Schedule of interests in mining tenements

Please refer to the Operations Report.