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ASX: **PTR**
petratherm.com.au

ANNUAL REPORT 2024

For the year ending 30th June 2024



CORPORATE DIRECTORY

Directors

Derek Carter
Simon O'Loughlin
Donald Stephens
Simon Taylor

Company secretary

Katelyn Adams

Registered office

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road, DULWICH SA 5065

Principal place of business

22B Beulah Rd, Norwood SA 5067

Share register

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street, ADELAIDE SA 5000

Auditor

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street, ADELAIDE SA 5000

Solicitors

O'Loughlins Lawyers
Level 2, 99 Frome Street, ADELAIDE SA 5000

Bankers

National Australia Bank
22 - 28 King William Street, ADELAIDE SA 5000

Stock exchange listing

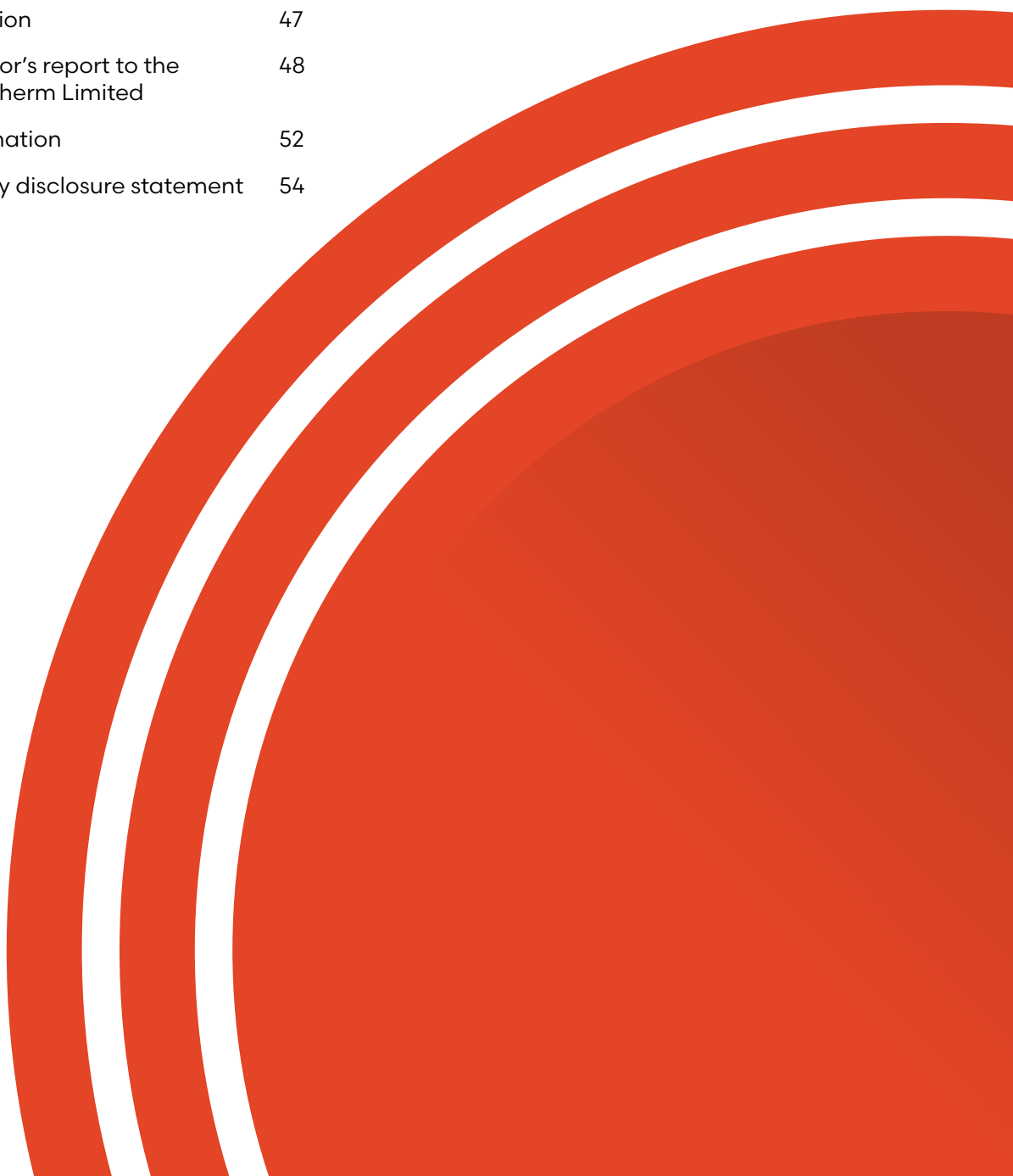
Petratherm Limited shares are listed on the
Australian Securities Exchange
(ASX code: PTR)

Website

Petratherm Limited - ASX:PTR

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CHAIRMAN'S LETTER

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Dear Shareholders

I am pleased to present the 2024 Annual Report for Petratherm (ASX:PTR) (**PTR** or the **Company**).

It has been another busy year for PTR, as we continued to progress exploration activities across our copper, gold and rare earth element projects in South Australia.

In a period of strong commodity prices in both copper and gold, our exploration focus has been on conducting activities across our strong copper-gold ground position in the Olympic Domain of SA (Woomera and Mabel Creek Projects). Exploration focus for the financial year has been on modelling Iron-Oxide Copper-Gold (**IOCG**) targets which are typically found across this region. The Company's gravity targeting at both project sites has identified several compelling IOCG targets for drill testing.

At a corporate level, we were pleased to be able to secure expanded tenure at the Muckanippie Project, with the earn-in agreement across the tenure to the north of PTR's project area. This strengthening of project holdings gives PTR a majority ground position of this very prospective suite of rocks.

The Muckanippie Suite is a rare and highly fertile layered intrusion, prospective for a Titanium-Vanadium (**Ti-V**) system. Exploration activities at Muckanippie reported subsequent to the period included mapping, surface sampling and re-assaying of historic drilling. This systematic approach applied to exploration at this project has resulted in the discovery of a large area of high-grade titanium-rich heavy mineral sands (**Ti-HMS**). Titanium is on the critical minerals list for Australia, US and EU and has uses in electric vehicles and battery storage, wind technology, pigments, and as an alloy in steel and superalloys. It is pleasing to the company that we have been able to expand our exposure to critical minerals

The financial year 2024 has not been without its challenges, and the Board is aware that we are not alone in the market in terms of seeing erosion in our share price performance and as such we have been doing everything possible to deliver value to our shareholders. We are confident that we have the right project portfolio and a great technical team – these being our fundamental assets which have carried us through these times.

The recent Ti-HMS discovery has somewhat vindicated our efforts in backing these assets, and we believe this has potential to be transformational for the Company. We see the 2024-2025 financial year as looking very positive and I want to take this opportunity to thank our shareholders for your support throughout the year and going forward. At the same time, I offer my sincere thanks and support to our Chief Executive Officer, Peter Reid, who has guided the Company this far.

Derek Carter
Non-Executive Chairman



DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Petratherm Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Information on Directors

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

Name:	Derek Carter
Title:	Non-Executive Chairman
Qualifications:	BSc, MSc, FAusIMM
Experience and expertise:	Mr. Carter has over 40 years' experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold Ltd in 1993.
	Mr. Carter is a former President of the South Australian Chamber of Mines and Energy, former board member of the Australian Gold Council and the AusIMM. He was also a former member of the South Australian Minerals Exploration Advisory Group, the Minerals and Petroleum Experts Group and the Minerals and Energy Council.
	He was awarded AMEC's Prospector of the Year Award (jointly) in 2003 and is a Centenary Medallist.
Other current directorships:	Hillgrove Resources Limited
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	2,668,310 ordinary shares
Interests in options:	Nil
Name:	Simon O'Loughlin
Title:	Non-Executive Director
Qualifications:	BA(Acc), Law Society Certificate in Law
Experience and expertise:	Mr. O'Loughlin is the founder of O'Loughlins Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications.
	Mr. O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).
Other current directorships:	Stellar Resources Limited
Former directorships (last 3 years):	Chesser Resources Limited (now delisted) (2006 - 2023)
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	4,615,471 ordinary shares
Interests in options:	Nil
Name:	Donald Stephens
Title:	Non-Executive Director
Qualifications:	BA(Acc), FCA
Experience and expertise:	Mr. Stephens is a Chartered Accountant and corporate advisor with over 25 years' experience in the accounting, mining and services industries, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a corporate adviser specialising in small cap ASX listed entities.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in shares:	3,689,876 ordinary shares
Interests in options:	Nil

Name:	Simon Taylor
Title:	Non - Executive Director
Qualifications:	BSc, MAIG, Gcert AppFin
Experience and expertise:	Mr. Taylor is a resource industry executive with over 30 years of experience in geology, finance and corporate management at CEO and Board levels. His direct operational and capital markets experience spans a wide range of commodities and jurisdictions including Australia, South and North America, Africa, Europe and China.
Other current directorships:	Stellar Resources Limited Black Canyon Limited
Former directorships (last 3 years):	Oklo Resources Limited (now delisted) (2014 - 2022) Chesser Resources Limited (now delisted) (2007 - 2023)
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	3,500,000 ordinary shares
Interests in options:	Nil

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

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

Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- the carrying out of exploration activities on the Group's existing portfolio of mineral exploration projects;
- to continue to seek out extensions of areas held and to seek out new projects with high potential; and
- to evaluate the results of exploration activities carried out during the year.



Review of operations

The loss for the Group after providing for income tax amounted to \$1,050,737 (30 June 2023: \$778,969).

Petratherm Limited (ASX: PTR) (PTR or the Company) has built up an enviable project portfolio in South Australia, focusing and copper-gold in the World-Class Olympic Domain and critical minerals in the Northern Gawler Craton (Figure 1).

The Company has two major exploration projects in the world-class Olympic Copper-Gold Province. Work in the region has uncovered Iron-Oxide Copper-Gold style alteration/mineralisation at both its Mabel Creek and Woomera Project areas. Geophysical targeting work has defined several compelling Tier-1 Copper-Gold targets which the Company is aiming to drill test during the 2024 calendar period.

In addition, PTR has two large project holdings in the northern Gawler Craton of South Australia. Exploration at the Comet Project has uncovered significant concentrations of Rare Earths, and at the Muckanippie Project, titanium rich heavy mineral sands have been found over large areas. The mineral sands are associated with the weathering of a major intrusive complex, the Muckanippie Suite, which has been found to be highly prospective for other critical minerals including Platinum Group Elements, Vanadium, and Titanium. This is an early-stage Greenfields project with exceptional upside potential.



Figure 1 – PTR Project Locations in South Australia

Mabel Creek Copper-Gold Project

The Mabel Creek Project is located on the northern extent of the Olympic Copper-Gold Trend, but the region also has geological similarities to the Mt Isa Inlier in Queensland and is considered by PTR to be highly prospective for Tier 1 Copper-Gold deposits. The Mabel Creek Project has a significant land holding of 3,798km², which is 100% owned by the Company.

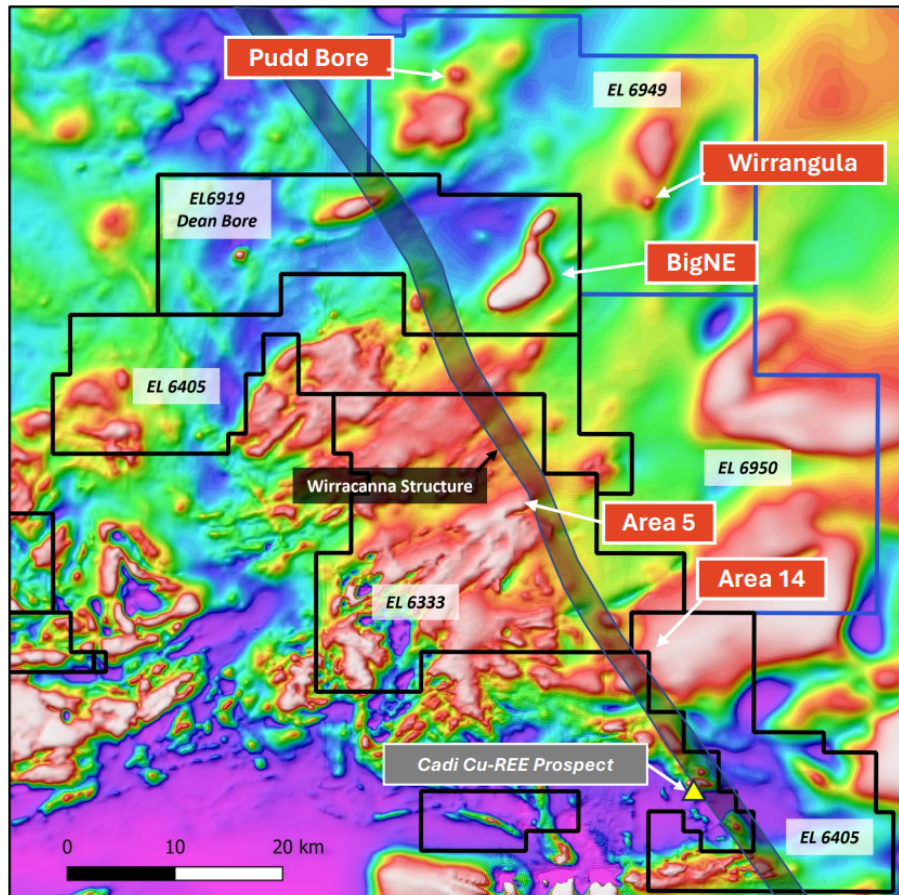


Figure 2 – Magnetic Image of Eastern Mabel Creek Project Area – Targets and New Tenement areas

Gravity Surveying

During the reporting, the period the Company completed a Gravity Survey program over the Mabel Creek Project¹. The new gravity data identified three priority drill targets, all around the edge of a circular gravity low which is interpreted as potentially being caused by an underlying granite intrusion (Figure 3). On the eastern side of the interpreted deep granite are several drill holes drilled by Alliance Resources between 2003 and 2009 which intersected strong iron-rich (hematite) alteration in Proterozoic metasediments overlying strongly magnetic Banded Iron Formation (BIF) units.²

While the strongly magnetic, deep, BIF units are not considered a target, the dense hematite-only zones have the potential to host IOCG-style copper-gold mineralisation, and in the historical drilling this alteration was associated with strongly elevated copper assays (up to 0.32% Cu over 1.1m). Combined 3D magnetic and gravity inversion modelling was undertaken over this area and a significant gravity-only target, BCG1, was resolved (Figure 4). This target has the potential to be a significant zone of hematite-alteration.

2D gravity modelling was undertaken on the other gravity features rimming the interpreted deeper granite. To the south the two gravity features modelled as being very dense but deep (>1000m below surface), however the two features to the west

¹ PTR Announcement – 19 July 2024 - Mabel Creek Gravity Survey Defines Significant Copper-Gold Targets (Revised)

² PTR Announcement – 14 August 2023 - Significant Copper-Gold Expansion at Mabel Creek

both produced models of significant density but at depths more amenable to drill testing. For example, the southern of these two features, BCG2, models as a large (450m x 1070m x >4000m) body at 500m below surface (Figure 5). The produced model density of 3.4 g/cm³ is consistent with the measured density of known IOCG deposits in the Olympic Domain.

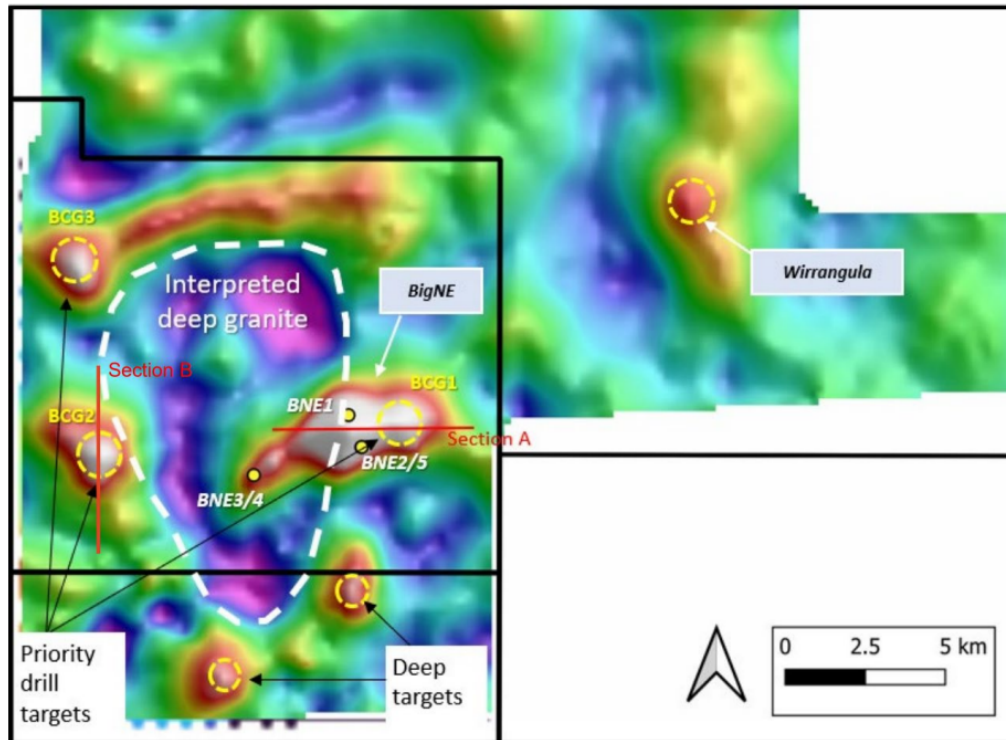


Figure 3 – New gravity survey data and copper-gold targets.

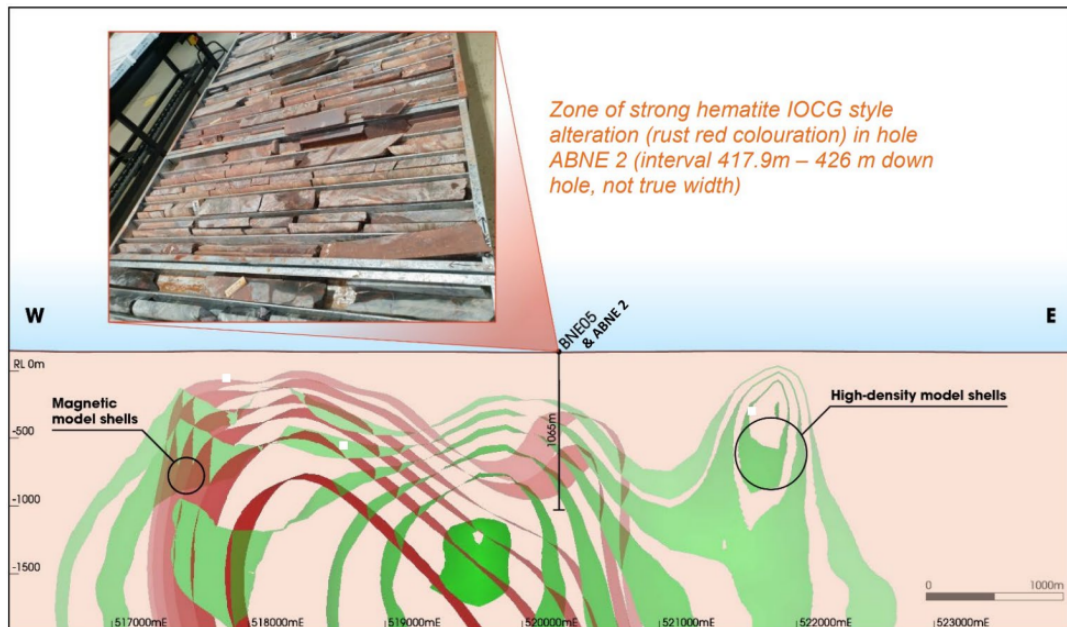


Figure 4 – Section A – BCG01 target 3D magnetic and gravity inversions with existing drilling.

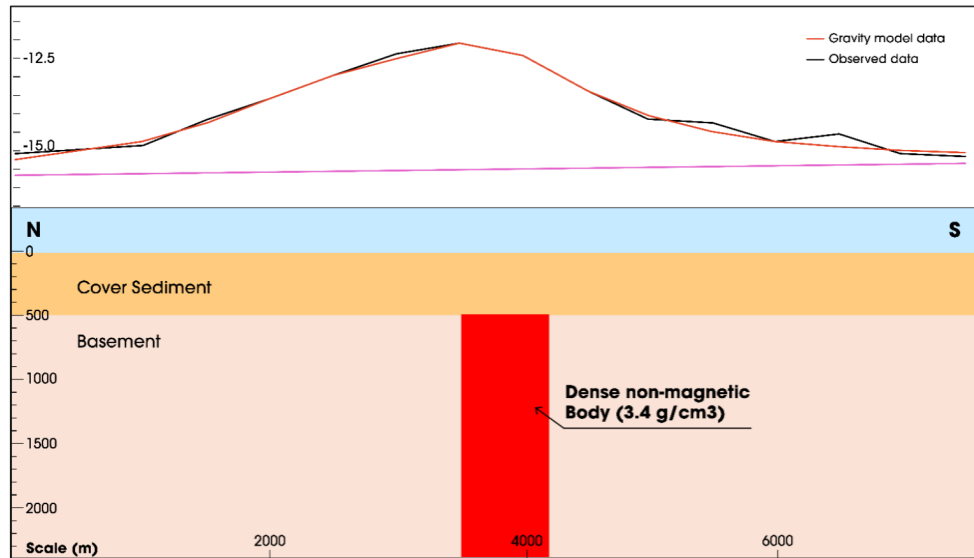


Figure 5 – Section B - Gravity model for BCG2 target.

Woomera Copper-Gold Project

The Woomera IOCG Project has a significant landholding of 668km² and is strategically located in the World Class Copper-Gold Olympic Province of South Australia. It is close to BHP's Oak Dam West copper-gold discovery and operating Carrapateena Copper-gold mine. Other notable copper occurrences include Coda Mineral's Emmie IOCG discovery, and the sediment hosted copper-cobalt-silver mineral resource at Emmie Bluff in the overlying cover strata³.

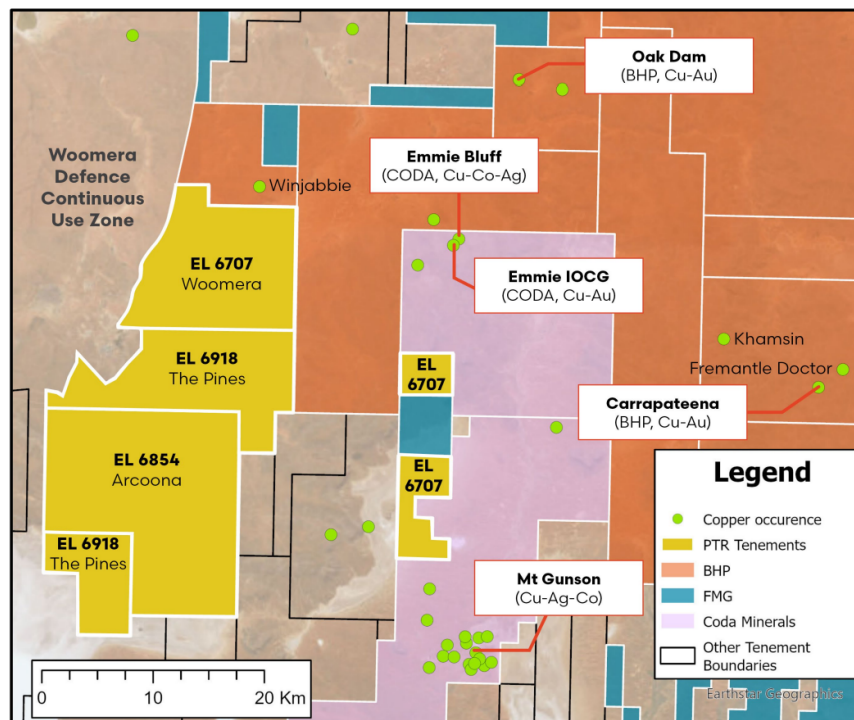


Figure 6 – PTR's Woomera Project Exploration Licences, IOCG Mines/Prospects

³ BHP Group Limited is a producing entity. The purpose of Figure 6 is to illustrate the geological context of the Olympic Province, and the geographical proximity of the Woomera Project to other Company Tenement Holdings, copper, and gold occurrences

Gravity Survey⁴

During the reporting period, the Company completed gravity surveying and modelling over the central and southern tenements, which proved highly successful, returning five new high-priority gravity targets (Figure 7).

Bernard Hill is a large non-magnetic, dense body at 800-1000m depth, which, from historical drilling on adjacent projects, is the depth of basement rocks beneath cover in this region. The modelled dense body is 400m wide, has a depth extent of 1000m, and has a strike extent of greater than 2000m. The modelled density is 3.40 g/cm³ which is consistent with the measured density of known IOCG deposits in the region (Figures 8 & 9).

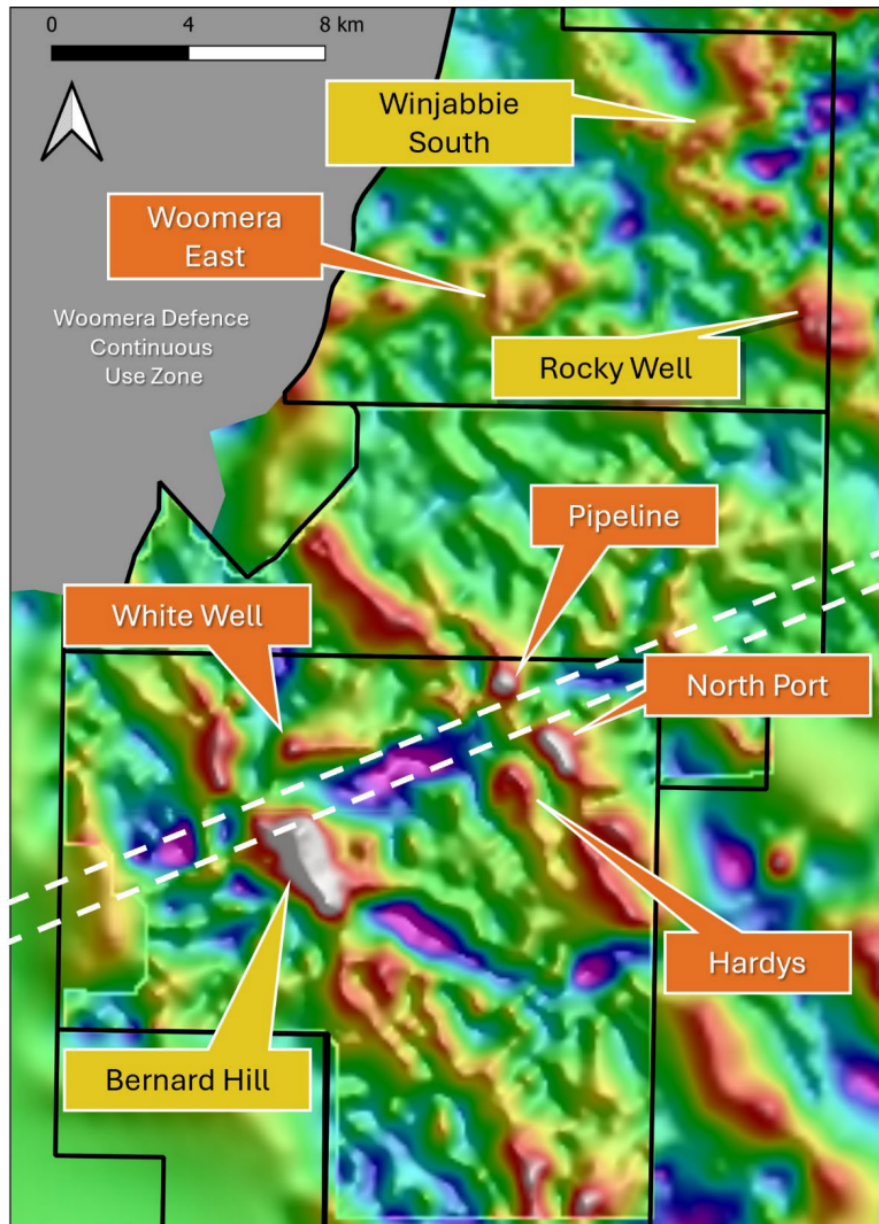


Figure 7 – New gravity survey data over the Woomera Project showing locations of copper-gold targets.

⁴ PTR Announcement – 2 May 2024 – Woomera Gravity Survey Defines Significant Iron-Oxide Copper-Gold Target

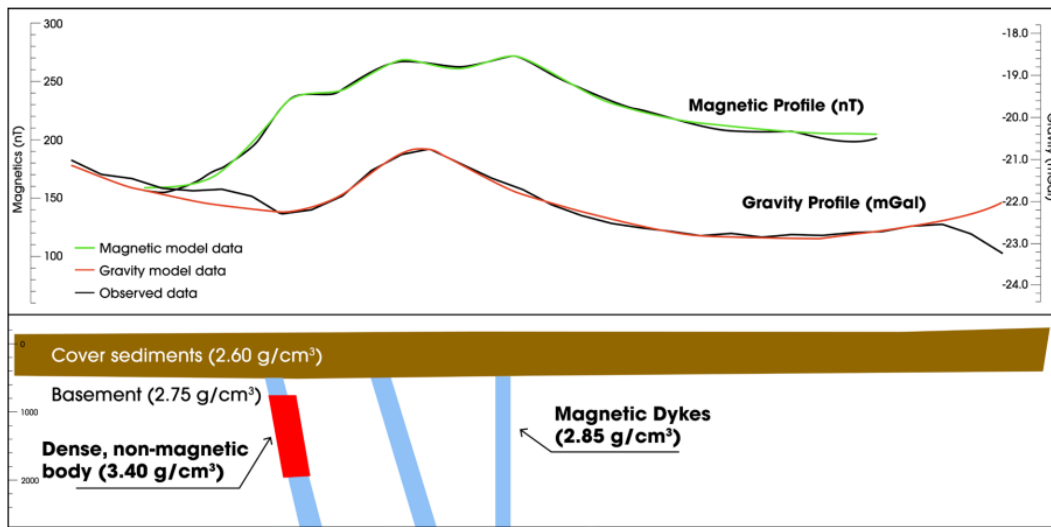


Figure 8 – Magnetic and gravity modelling of the Bernard Hill target.

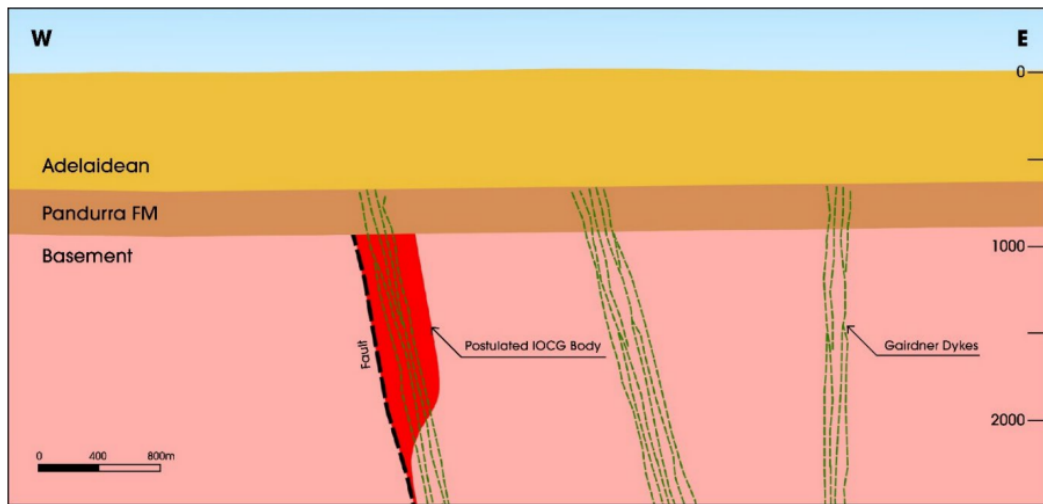


Figure 9 – Geological interpretation of Bernard Hill target

Muckanippie Project

During the reporting period, the Company completed Agreements allowing the right to earn into two adjoining tenements. PTR now holds a majority ground position over the Muckanippie Suite, a layered igneous intrusion which is highly prospective for a range of high value critical minerals, located in the northern Gawler Craton of South Australia.

PTR and Narryer Metals Ltd (ASX: NYM) executed a Mining Farm-In and Joint Venture Agreement allowing PTR the right to earn-in to EL 6715 ('Sturt EL'), a large 324km² ground position adjoining PTR's northern Muckanippie Project area (Figure 10). PTR can earn up to a 70% interest via a 2 Stage Farm-in with further provisions, dependent on NYM's elections, to earn up to an 80% equity in the project⁵.

⁵ PTR Announcement – 18 April 2024 – Farm-in Agreement Expands Muckanippie Project

A Mining Farm-In and Joint Venture Agreement with G4 Metals Pty Ltd (G4M), grants PTR the right to earn-in to EL 6873, adjoining PTR's western areas. PTR can earn up to a 70% interest via a 2 Stage Farm-in with further provisions, dependent on G4M's elections, to earn up to a 100% equity in the project (Figure 10)⁶.

Globally, layered mafic and anorthosite igneous intrusions, like Muckanippie, are a major source of critical minerals. The most notable example being the Bushveld Complex of South Africa which is host to world's foremost Platinum Group Metals mining operations and includes major quantities of base metal, chromium, vanadium, and titanium.

The Muckanippie Suite has been largely unexplored as it is partially masked by a thin layer of cover material above the layered geological sequence. Where sparse outcrops occur or shallow drilling has been undertaken, highly anomalous Gold, Platinum Group Metals, Titanium, Vanadium, Iron and Phosphate are reported.

Titanium Heavy Mineral Sands Discovery

After the reporting period, in September, the Company announced a high-grade heavy mineral sand (HMS) discovery (Figure 10)⁷. Reconnaissance mapping and surface sampling along with assaying of historic drill core stored at the South Australian Government's Core Library identified previously unknown high-grade Titanium mineralisation spanning many square kilometres at two prospect sites, Rosewood and Claypan.

Outcrop samples recorded exceptional grades ranging between 10% and 50% titanium dioxide (TiO₂). The mineralisation occurs from or near surface (<10 metres) and is present as heavy mineral bands forming sheet-like Heavy Mineral Sand (HMS) mineralisation. At Claypan significant Titanium-Vanadium mineralisation has also been identified in the underlying basement source rock, and additionally has potential for primary basement mineralisation.

The Australian Government along with the United States, the European Union, India, Japan, South Korea and the United Kingdom designated Titanium as a critical mineral for essential modern technologies, economies and national security. Titanium has uses in electric vehicles and battery storage, wind technology, pigments, and as an alloy in steel and superalloys. The global market size of titanium in 2022 amounted to 28.6 billion U.S. dollars and is forecast to grow over the coming years, to nearly 52 billion U.S. dollars in 2030.



Photo – Left – Typical outcrop of HMS titanium ore (dark minerals) in white silts. Right – high-grade ores (>30% TiO₂) from the Rosewood Prospect. The brown-black minerals are the Titanium-bearing mineral ores comprising ilmenite, leucoxene and rutile.

⁶ PTR Announcement – 29 February 2024 – Farm-in Agreement Executed - Muckanippie Project Expansion

⁷ PTR Announcement – 11 September 2024 – High-Grade Titanium Rich Heavy Mineral Sands at Muckanippie

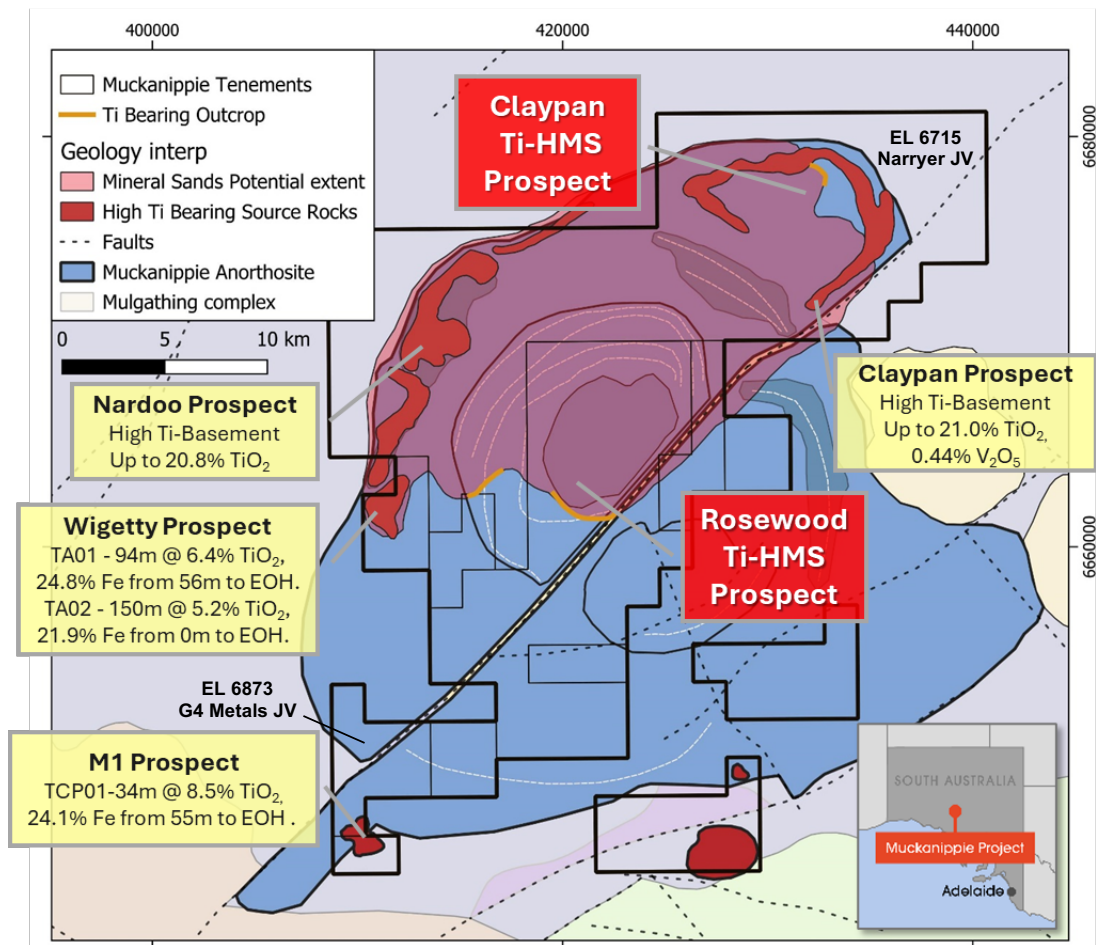


Figure 10 – Interpreted Geology Map of Muckanippie Project Area, High TiO₂ basement source rock prospects (yellow labels)⁸, HMS Titanium Prospects (red labels) and interpreted extent of Titanium Rich Mineral Sands.

Rosewood Titanium Heavy Mineral Sands Prospect

At the Rosewood Prospect reconnaissance mapping identified outcrops of high-grade heavy mineral banded, partly indurated sandstone on the side of a low escarpment. This unit has subsequently been traced over a length of 9 kilometres. PTR geologists took 31 surface rock chip samples to test for the presence of Titanium-bearing minerals with multiple samples returning **bonanza TiO₂-grades of >25%, and up to 49.4%** (Figure 11).

Notable rock chip samples results include:

- G01989 Rosewood East - **49.4% TiO₂** and 0.16% V₂O₅
- S10471c Rosewood West - **38.5% TiO₂** and 0.22% V₂O₅
- S10465 Rosewood East - **33.6% TiO₂** and 0.23% V₂O₅
- PTR011045 Rosewood East - **33.2% TiO₂** and 0.19% V₂O₅

⁸ PTR Announcement – 14 November 2022 - Muckanippie Project Tenement Granted

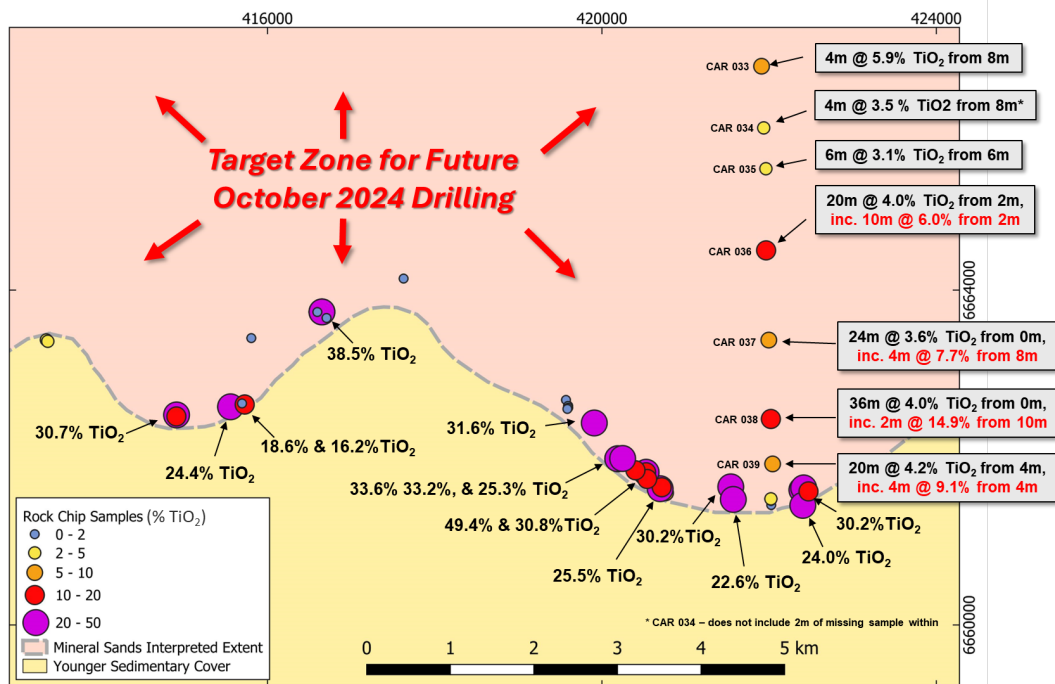


Figure 11 – Location of rock chip and historic drilling samples at Rosewood Prospect.

North of the high-grade escarpment outcrop, PTR has obtained samples from wide-spaced air core drilling undertaken by the Mines Department in 1991 and stored at the South Australian Core Reference Library. These samples had not previously been subject to analysis for TiO₂ and the new assaying shows that the mineralisation continues at least 6 kilometres North (Figures 11 & 12). The drill holes were drilled along an existing North-South track at approximately 1 kilometre spacing.

Notable intercepts from historic drill core include:

- CAR 36 – **20m @ 4.0 % TiO₂** from 2m, including **10m @ 6.0% TiO₂** from 2m
- CAR 37 – **24m @ 3.6 % TiO₂** from 0m, including **4m @ 7.7% TiO₂** from 8m
- CAR 38 – **36m @ 4.0 % TiO₂** from 0m, including **6m @ 7.8% TiO₂** from 8m, including **2m @ 14.9 % TiO₂** from 10m
- CAR 39 – **20m @ 4.2 % TiO₂** from 4m, including **4m @ 9.1% TiO₂** from 4m

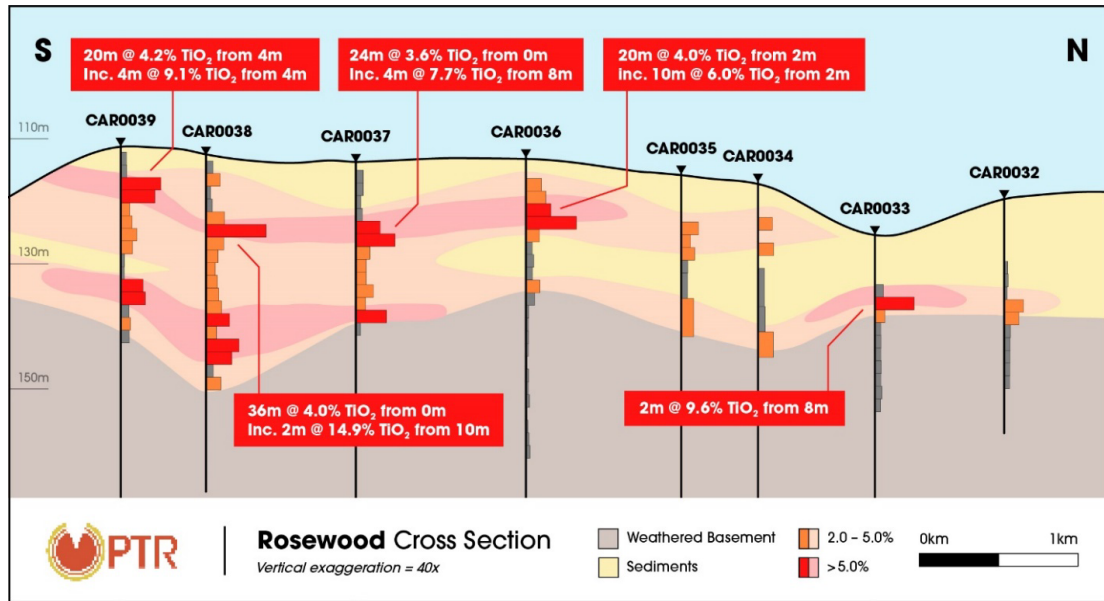
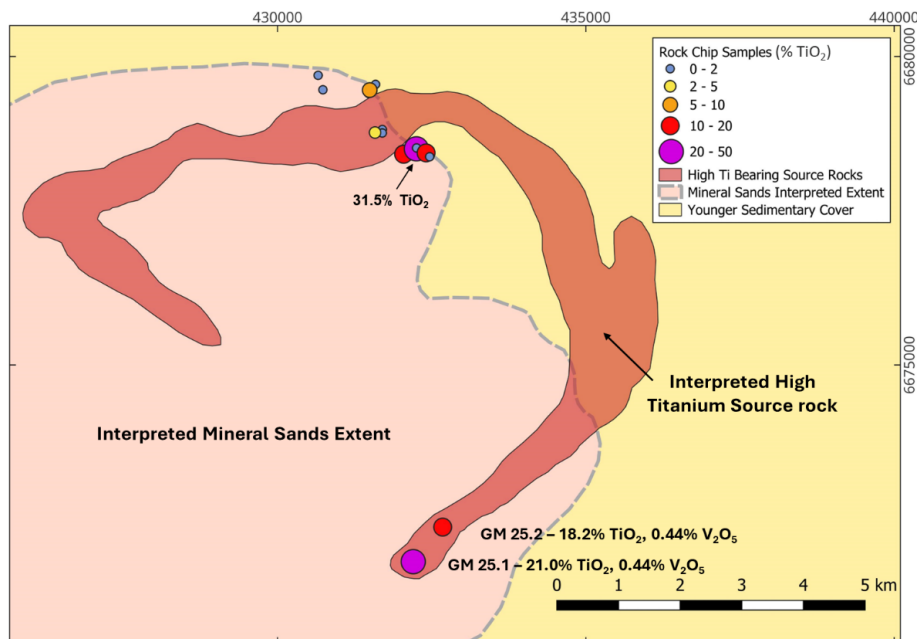


Figure 12 – Section showing Titanium assays from CAR drillholes at the Rosewood Prospect

Claypan Prospect

Outcrop of HMS sandstone at the Claypan Prospect, comprises a series of low escarpments outcropping over 2 kilometres of trend. Rock chip sampling returned TiO₂ assays ranging between **5.7% and 31.5% TiO₂**. Higher-grade mineralised horizons were found on the southern side of an interpreted high Titanium-Vanadium basement source rock horizon (see below - **Claypan Basement Titanium Target**). The source rock horizon has a distinctive magnetic signature, and its outline is shown overlain in Figure 13 below.



Claypan Basement Titanium Target

Claypan Prospect has additional high potential for basement-hosted Ti-V targets immediately below and adjacent to the HMS mineralisation. Approximately 6 kilometres south of the outcropping Titanium-bearing sandstone, Flinders Mines drilled two shallow holes in 2008 at two magnetic anomalies, as part of a regional exploration program for diamonds (Figure 13).

Drill holes GM 25.1 and GM 25.2 were selectively assayed for a wide range of elements over short down hole intervals. Both drill holes record exceptional concentrations of vanadium (**up to 0.44%**), titanium (**up to 21% TiO₂**) and iron (**up to 47.5% Fe**) along with highly anomalous phosphate and chrome⁹.

The style of mineralisation intersected in the basement rock is indicative of Vanadiferous Titanomagnetite (VTM) deposits, which supply approximately 88% of the world's vanadium¹⁰. These deposits are associated with layered intrusions like that identified at Muckanippie and the ores typically form stratiform horizons due to their association with the layered intrusions. At Claypan, the prospective magnetic horizon extends for approximately 18 kilometres (Figure 13) under shallow cover and will be a priority for follow up drilling.

Comet REE Project

The Comet Project is a significant ground holding totaling 1,915km² in the Northern Gawler Craton of South Australia. The region is historically noted for numerous gold occurrences, however in April 2022, the Company reported significant intercepts of Rare Earth Elements (REE) hosted in clays following a program of greenfield regional RAB drilling.

Exploration drilling delineated two major REE occurrences (Figure 14). The Meteor and Artemis REE prospects both occur at very shallow depths, include high-grade blankets of mineralisation showing good lateral extent and ore thickness. Less than 10% of the project area has been explored for REE's and a systematic program of advancement of current prospects, testing of new areas and metallurgical recovery test work is ongoing.

Artemis REE Prospect

Prospect REE mineralisation typically starts from a depth of 9 to 15 metres and the average intercept thickness is 15 metres across the prospect. The average Total Rare Earth Oxide (TREO) intercept grade is 962 ppm, which includes 223 ppm Magnet Rare Earth Oxide (MREO) (23% of TREO). The prospect area is approximately 3 kilometres by 1.5 kilometres and is open laterally in all directions.¹¹

Meteor REE Prospect

REE mineralisation starts from a depth of 3 to 6 metres and the average intercept thickness is 11.5 metres across the prospect. The average TREO intercept grade is 936 ppm, which includes 242 ppm MREO (26% of TREO). The prospect area is approximately 2 kilometres by 1 kilometre and remains open in several directions. Due to the shallow nature of mineralisation, there is potential for low-cost favourable free dig mining methods.¹²

⁹ PTR ASX Release 18/04/2024 – Farm-in Agreement Expands Muckanippie Project.

¹⁰ Simandl GJ & Paradis S 2022. Vanadium as a critical material: economic geology with emphasis on market and the main deposit types. *Applied Earth Science* 131 (4): 218-236.

¹¹ PTR Announcement – 24 February 2023 – Drilling Identifies Major New Rare Earth Prospect

¹² PTR Announcement – 15 February 2023 – Meteor Prospect – Exceptional Rare Earth Drill Intersections

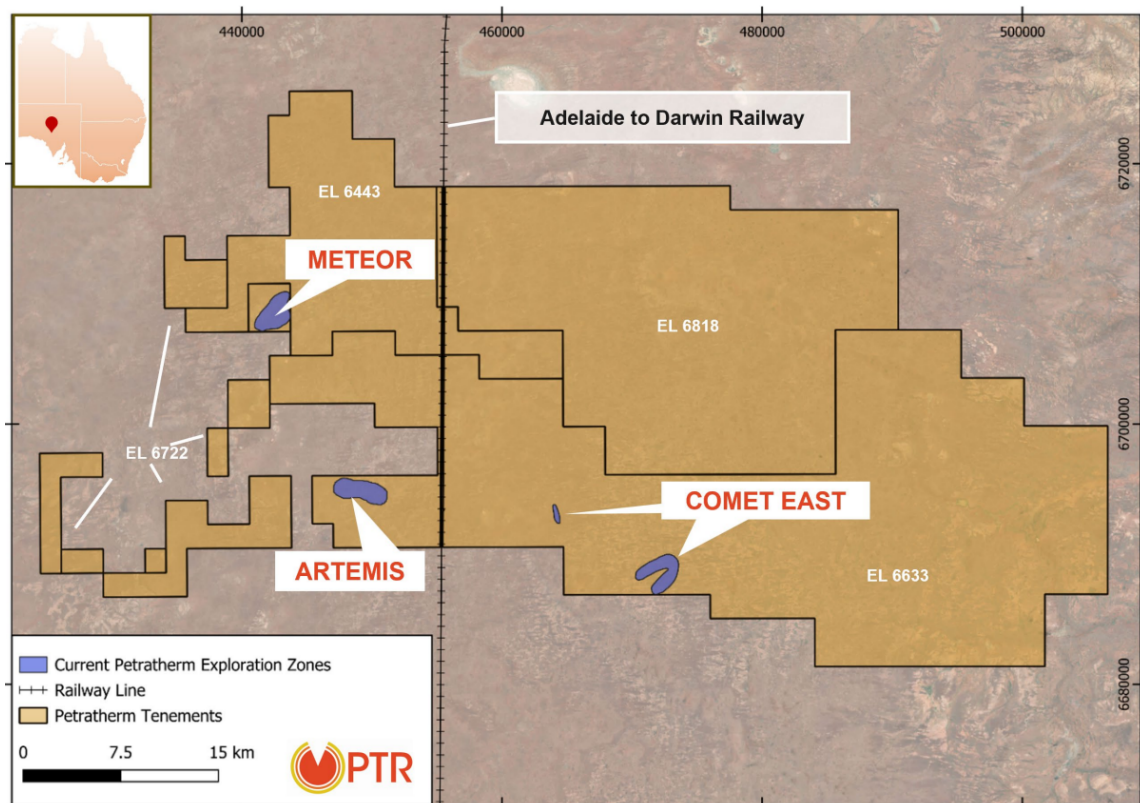


Figure 14 - PTR's 100% owned Comet Project Tenement Holdings and Rare Earth Prospects.

Metallurgical Studies

Previous results announced in September 2023¹³ from the Meteor Rare Earth Prospect found that low-cost sieve separation processing, produced a significant increase in REE grades as the bulk of the rare earth mineralisation is hosted in fine clay fraction within the weathering profile. This work produced a REE ore concentrate with a grade of approximately 2000ppm TREO (including >500ppm MREO).

During the period the Company engaged a leading independent mineral processing geoscientist to manage the Company's metallurgical testing work. Minimal prior research and development has been undertaken on rare earths hosted in clays in the Australian context, specifically rare earths hosted in clays from modern day dryland arid environments. PTR has undertaken several base line bench studies to determine the nature of the rare earth mineralisation hosted in the clays. Early results to date indicate significant leach trial experimentation is required to formulate a low cost REE extraction method. At the same time, during the period, rare earth commodity prices have fallen significantly, and as such the Company has elected to put this work on hold.

¹³ PTR Announcement – 18 September 2023 – Beneficiation Process Increases Rare Earth Grades at Meteor



Photo – REE Clay sample beaker testing.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Muckanippie Project

On 11 September 2024 the Group announced that mapping, surface sampling and re-assaying of historic drilling has discovered high-grade Titanium rich heavy mineral sands (HMS) over several kilometers at the Muckanippie Project. A 4000-metre drilling program is scheduled to start early October 2024 to test grade and extent of HMS mineralisation and high-grade Titanium-Vandium basement horizons.

Successful placement to underpin drilling at Muckanippie and share purchase plan (SPP)

On the 17th of September 2024 the Group announced that it had received firm commitments to raise \$1,600,000 by way of placement of 45,714,285 ordinary fully paid shares. The placement was strongly supported by existing and new investors. Subject to shareholder approval the Directors have agreed to contribute \$200,000 to the placement.

To reward shareholders with the opportunity to participate in the issue of new shares in the Company, the directors resolved to offer eligible retail shareholders participation in the equity raising through a SPP to raise up to an additional \$1M by subscribing for up to \$30,000 each at \$0.035 per share.

The proceeds of the placement and SPP will be used to underpin the upcoming drilling operations at Muckanippie, advance Petratherm's Copper Projects and provide for general working capital.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

ATO decision regarding Outback Goldfield transaction

The Group informs shareholders that it has been advised by the Australian Taxation Office (ATO) that the in-specie distribution of shares in Outback Goldfields Corp. (Outback Goldfields or OZ (formerly Skarb Exploration)) to the Group's shareholders in April 2021, is an unfranked dividend for taxation purposes. For additional information please refer to the announcement dated 23 February 2024.

Dividends

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

Corporate Governance

The Company has established a set of corporate governance policies and procedures and these can be found within the Company's Corporate Governance Statement located on the Company's website:

Corporate Governance - Petratherm Limited

Environmental regulation

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the year under review, the majority of work carried out was in South Australia and Victoria and the Group followed procedures and pursued objectives in line with guidelines published by the South Australian Government.

These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable wherever it explores.

The Group is committed to minimising environmental impacts during all phases of exploration, development and production through a best practice environmental approach. The Group shares responsibility for protecting the environment for the present and the future. It believes that carefully managed exploration programs should have little or no long-lasting impact on the environment and the Company has formed a best practice policy for the management of its exploration programs. The Group properly monitors and adheres to this approach and there were no environmental incidents to report for the year under review. Furthermore, the Group is in compliance with the state and/or Commonwealth environmental laws for the jurisdictions in which it operates.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Company secretary

Katelyn Adams is the Company Secretary.

Ms. Adams is a Partner with HLB Mann Judd and has over 15 years of accounting and company secretarial experience, servicing predominantly ASX listed companies. Ms. Adams has extensive experience in company secretarial duties, ASX Listing Rule requirements, IPO and capital raising processes, as well as a strong technical accounting and corporate governance knowledge.

Ms. Adams's current listed company positions are: Clean Seas Seafood Limited (Non-Executive Director); Duxton Water Limited (Company Secretary); Duxton Farms Limited (Company Secretary); Highfield Resources Limited (Company Secretary); and 1414 Degrees Limited (Company Secretary), as well as director/company secretary of various other unlisted public and private companies.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Derek Carter	8	8	1	2
Simon O'Loughlin	7	8	1	2
Donald Stephens	8	8	2	2
Simon Taylor	7	8	1	2

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

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

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

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

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

All executive and senior staff are subject to annual reviews, where the remuneration arrangements are reviewed and benchmarked against industry averages. The Group additionally uses the Employee Share Option Plan to provide incentives to employees, which are reviewed annually in conjunction with the available option pool.

The Non-Executive and Executive Directors remuneration is set from a pool that is approved by shareholders, which presently is set at \$300,000 per annum. The Non-Executive Director fees have not been increased since the resolution in the Board meeting held on 3 February 2023. The Group has a policy of obtaining shareholder approval for any share-based remuneration (such as options) to be granted to Directors in accordance with the ASX Listing Rules.

Use of remuneration consultants

The Group has not engaged the use of a remuneration consultant to review its existing remuneration policy.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 97.45% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

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

The key management personnel of the Group consisted of the following Directors & employees of Petratherm Limited:

- Derek Carter - Non-Executive Chairman
- Simon O'Loughlin - Non-Executive Director
- Donald Stephens - Non-Executive Director
- Simon Taylor - Non-Executive Director
- Peter Reid - CEO

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
2024	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Derek Carter	60,000	-	-	6,600	-	-	66,600
Simon O'Loughlin	40,000	-	-	4,400	-	-	44,400
Donald Stephens	44,400	-	-	-	-	-	44,400
Simon Taylor	40,000	-	-	4,400	-	-	44,400
<i>Other Key Management Personnel:</i>							
Peter Reid	209,167	-	-	25,300	-	20,833	255,300
	393,567	-	-	40,700	-	20,833	455,100

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	Total \$
2023							
<i>Non-Executive Directors:</i>							
Derek Carter	51,515	-	-	5,409	-	-	56,924
Simon O'Loughlin	35,758	-	-	3,754	-	-	39,512
Donald Stephens	39,512	-	-	-	-	-	39,512
Simon Taylor	18,280	-	-	1,919	-	-	20,199
<i>Other Key Management Personnel:</i>							
Peter Reid	210,000	-	-	22,050	-	9,947	241,997
	355,065	-	-	33,132	-	9,947	398,144

Further information regarding the employee share options can be found in note 25

Service agreements

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

Name:	Peter Reid
Title:	CEO
Agreement commenced:	1 October 2021
Term of agreement:	Mr Reid is employed under an existing employment contract dated 14 October 2021 with no fixed term.

Details:	Peter Reid's gross salary is \$255,300 per annum. The Company or the employee may terminate the employment contract without cause by providing 4 weeks written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.
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Share-based compensation

Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Name	Date	Shares	Issue price
Peter Reid	28/06/2024	912,043	\$0.02

The shares issued to Peter Reid is in lieu of cash payment for wages and salaries.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>				
Derek Carter	2,668,310	-	-	2,668,310
Simon O'Loughlin	4,097,544	517,927	-	4,615,471
Donald Stephens	3,689,876	-	-	3,689,876
Simon Taylor	3,500,000	-	-	3,500,000
Peter Reid	1,139,529	912,043	-	2,051,572
	<u>15,095,259</u>	<u>1,429,970</u>	<u>-</u>	<u>16,525,229</u>

Loans to key management personnel and their related parties

There were no loans to key management personnel or their related parties during the current or previous financial year.

Other transactions with key management personnel and their related parties

There were no transactions with key management personnel or their related parties other than their remuneration during the current or previous financial year.

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
01/10/2021	01/10/2024	\$0.08	1,000,000
12/01/2023	12/01/2026	\$0.09	500,000
05/05/2023	05/05/2026	\$0.09	75,000
29/12/2023	29/12/2026	\$0.06	250,000
29/12/2023	29/12/2026	\$0.06	<u>75,000</u>
			<u><u>1,900,000</u></u>

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

Shares issued on the exercise of options

There were no ordinary shares of Petratherm Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Proceedings on behalf of the Company

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

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Auditor's independence declaration

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

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

On behalf of the Directors



Derek Carter
Chairman

30 September 2024

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Petratherm Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Petratherm Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 30 September 2024

www.grantthornton.com.au
ACN-130 913 594

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 2024 \$	2023 \$
Income			
Bank interest income		57,933	89,354
Expenses			
Employee benefits expenses	5	(424,432)	(372,164)
Exploration expenses		(32,123)	(35,205)
Operating expenses	6	(417,650)	(347,376)
Secretarial, professional and consultancy		(108,633)	(113,578)
Impairment of tenement	10	(125,832)	-
Loss before income tax expense		(1,050,737)	(778,969)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the Owners of Petratherm Limited	13	(1,050,737)	(778,969)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Owners of Petratherm Limited		<u>(1,050,737)</u>	<u>(778,969)</u>
		Cents	Cents
Basic earnings/(losses) per share	24	(0.46)	(0.35)
Diluted earnings/(losses) per share	24	(0.46)	(0.35)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents		406,738	1,239,464
Receivables		277,458	567,658
Financial assets	8	500,000	1,300,000
Other assets		16,245	11,842
Total current assets		<u>1,200,441</u>	<u>3,118,964</u>
Non-current assets			
Property, plant and equipment	9	4,398	11,066
Exploration and evaluation assets	10	4,516,121	3,695,858
Other assets		48,000	18,000
Total non-current assets		<u>4,568,519</u>	<u>3,724,924</u>
Total assets		<u>5,768,960</u>	<u>6,843,888</u>
Liabilities			
Current liabilities			
Trade and other payables		187,934	294,313
Employee benefits		79,296	72,525
Total current liabilities		<u>267,230</u>	<u>366,838</u>
Non-current liabilities			
Employee benefits		31,257	16,966
Total non-current liabilities		<u>31,257</u>	<u>16,966</u>
Total liabilities		<u>298,487</u>	<u>383,804</u>
Net assets		<u>5,470,473</u>	<u>6,460,084</u>
Equity			
Issued capital	11	27,524,953	27,489,120
Reserves	12	(1,456,361)	(1,463,285)
Accumulated losses	13	(20,598,119)	(19,565,751)
Total equity		<u>5,470,473</u>	<u>6,460,084</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Issued capital \$	FVOCI reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Consolidated					
Balance at 1 July 2022	27,505,756	(1,534,664)	37,273	(18,786,782)	7,221,583
Loss after income tax expense for the year	-	-	-	(778,969)	(778,969)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(778,969)	(778,969)
<i>Transactions with Owners in their capacity as Owners:</i>					
Transaction costs	(16,636)	-	-	-	(16,636)
Share based payments (note 25)	-	-	34,106	-	34,106
Balance at 30 June 2023	<u>27,489,120</u>	<u>(1,534,664)</u>	<u>71,379</u>	<u>(19,565,751)</u>	<u>6,460,084</u>
	Issued capital \$	FVOCI reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Consolidated					
Balance at 1 July 2023	27,489,120	(1,534,664)	71,379	(19,565,751)	6,460,084
Loss after income tax expense for the year	-	-	-	(1,050,737)	(1,050,737)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,050,737)	(1,050,737)
<i>Transactions with Owners in their capacity as Owners:</i>					
Share-based payments (note 25)	35,833	-	25,293	-	61,126
Lapsed options transferred to accumulated losses	-	-	(18,369)	18,369	-
Balance at 30 June 2024	<u>27,524,953</u>	<u>(1,534,664)</u>	<u>78,303</u>	<u>(20,598,119)</u>	<u>5,470,473</u>

* Financial assets at fair value through other comprehensive income reserve

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 2024 \$	2023 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,002,122)	(742,709)
Interest received		87,970	50,453
Payments for exploration activities (expensed)		(32,115)	(35,058)
Net cash used in operating activities	23	(946,267)	(727,314)
Cash flows from investing activities			
Net investment in financial assets	8	800,000	(1,300,000)
Payments for property, plant and equipment	9	-	(6,130)
Payments for exploration activities (capitalised)		(1,154,833)	(1,549,726)
Payments for security deposits		(30,000)	-
Government subsidies received		73,150	147,500
R&D tax incentive refund received		425,224	-
Net cash from/(used in) investing activities		113,541	(2,708,356)
Cash flows from financing activities			
Share issue transaction costs		-	(16,636)
Net cash used in financing activities		-	(16,636)
Net decrease in cash and cash equivalents		(832,726)	(3,452,306)
Cash and cash equivalents at the beginning of the financial year		1,239,464	4,691,770
Cash and cash equivalents at the end of the financial year		<u>406,738</u>	<u>1,239,464</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1. General information

The consolidated financial statements cover Petratherm Limited as a Group consisting of Petratherm Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Petratherm Limited's functional and presentation currency.

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

Registered office

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
DULWICH SA 5065

Principal place of business

22B Beulah Rd
Norwood SA 5067

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

The financial report has been prepared on the basis of a going concern. During the year ended 30 June 2024 the Group recorded a net cash outflow from operating and investing activities of \$832,726 and an operating loss of \$1,050,737. Subsequent to year-end, the Group has secured firm commitments to raise \$1.6 million through a placement of new shares. The funds are intended to expedite exploration activities related to the Group's Muckanippie Titanium Project. Additionally, the Group received \$221,000 post-year-end as part of the research & development (R&D) tax incentive.

These events strengthen the Group's liquidity and financial position, providing the necessary resources for ongoing and planned operations. Based on current forecasts and expected cash flows, including the above events, management has determined that there is no material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern for the foreseeable future. Therefore, the use of the going concern assumption in preparing the financial statements remains appropriate.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because Directors will not commit to expenditure unless sufficient funding has been sourced.

Basis of preparation

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 20.

Note 2. Material accounting policy information (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

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

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

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

All other material accounting policies are disclosed in their respective notes.

Note 3. Critical accounting judgements, estimates and assumptions

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

Exploration and evaluation costs

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

Note 4. Operating segments

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the Board in allocating resources and has concluded at this time that there are no separately identifiable segments.

Note 5. Employee benefits expenses

	Consolidated	
	2024	2023
	\$	\$
Employee Benefits Expense		
Employee benefits expense	724,990	675,163
Employee benefits expense capitalised	(396,552)	(400,638)
Employee share-based payment expense	25,293	34,106
Employer contribution superannuation expense	70,701	63,533
	<u>424,432</u>	<u>372,164</u>

Employee share-based payment expense comprises of options granted to employees under the Employee Share Scheme. Further information pertaining to the Employee Share Scheme can be found in (note 25).

Included in the totals above is the employee benefits expenditure that has been capitalised as part of exploration and evaluation assets (note 10). The total amount of employee benefits expenditure capitalised in the year ended 30 June 2024 is \$396,552 (2023: \$400,638). The total amount remunerated to employees during the year is \$820,984 (2022: \$772,802).

Note 6. Operating expenses

	Consolidated	
	2024	2023
	\$	\$
AGM expenses	16,579	10,219
Audit fees	60,220	69,715
Insurance costs	26,685	23,198
Legal fees	78,665	68,416
Listing fees	45,937	52,683
Occupancy costs	28,867	22,990
Promotion expenses	100,518	37,281
Share registry expenses	19,755	17,828
Other expenses	40,424	45,046
	<u>417,650</u>	<u>347,376</u>

Note 7. Income tax

	Consolidated	
	2024	2023
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,050,737)	(778,969)
Tax at the statutory tax rate of 30%	(315,221)	(233,691)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation of property, plant and equipment	-	1,546
Entertainment expenses	216	74
Impairment of tenements	37,750	-
Share-based payments	7,588	-
Tenement applications	2,113	-
Immediate deduction of capitalised exploration cost	-	(339,930)
Other tax-deductible items	-	92,210
	(267,554)	(479,791)
Current year tax losses not recognised	435,403	-
Current year temporary differences not recognised	(167,849)	479,791
Income tax expense	-	-

The Group has tax losses arising in Australia of \$14,092,398 (2023: \$12,641,055) that may be available and may be offset against future taxable profits of the companies in which the losses arose. In addition, these tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the similar business test is passed.

The Group has capital losses arising in Australia of \$8,259,113 (2023: \$8,259,113) that may be available and may be offset against future capital losses of the companies in which the losses arose.

No deferred tax liability has been recognised for expenditure pertaining to exploration and evaluation and development assets. The amount of \$283,829 would be fully offset by the company's deferred tax assets if they were recognised (2023: \$339,930).

No additional deferred tax asset has been recognised because it is not likely future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

Note 8. Financial assets

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
NAB term deposit	500,000	1,200,000
Mining guarantee	-	100,000
	500,000	1,300,000

The financial assets included are the term deposits with maturity greater than 3 months.

Note 9. Property, plant and equipment

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	19,041	19,041
Less: Accumulated depreciation	(14,643)	(7,975)
	<u>4,398</u>	<u>11,066</u>

Reconciliations

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

Consolidated	Plant & equipment	Total
	\$	\$
Balance at 1 July 2022	4,936	4,936
Additions	11,283	11,283
Depreciation expense	(5,153)	(5,153)
Balance at 30 June 2023	11,066	11,066
Depreciation expense	(6,668)	(6,668)
Balance at 30 June 2024	<u>4,398</u>	<u>4,398</u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment 3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 10. Exploration and evaluation assets

Reconciliations

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

	Exploration and evaluation \$
Consolidated	
Balance at 1 July 2022	2,776,757
Additions through expenditures capitalised	1,558,325
R&D Offset capitalised	(425,224)
ADI Grant Income	(214,000)
Balance at 30 June 2023	3,695,858
Additions through expenditures capitalised	1,179,154
R&D Offset capitalised	(233,059)
Impairment of tenements	(125,832)
Balance at 30 June 2024	<u>4,516,121</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Exploration and evaluation expenditure has been carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recovered reserves. Management assessment of carried forward expenditure resulted in no impairment charged for the year ended 30 June 2024.

Accounting policy for government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relation to the operating activities of the entity. Under the capital approach, government grants should be dealt with as such in the statement of financial position to offset the items of expense they finance since no repayment is expected.

Accounting policy for research & development tax incentives

Research and development tax incentives are assistance by government in the form of refund research and development expenses to an entity in return for past or future compliance with certain conditions relation to the operating activities of the entity. Under the capital approach, research and development tax incentives should only be recognised when the research and development tax incentive has been finalised and the refund is expected to be received.

Note 11. Issued capital

	2024 Shares	Consolidated 2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	<u>226,319,854</u>	<u>224,751,139</u>	<u>27,524,953</u>	<u>27,489,120</u>

Note 11. Issued capital (continued)*Movements in ordinary share capital*

Details	Date	Shares	\$
Balance	1 July 2022	224,751,139	27,505,756
Transaction costs		-	(16,636)
Balance	30 June 2023	224,751,139	27,489,120
*Ordinary shares issued	28 June 2024	1,568,715	35,833
Balance	30 June 2024	<u>226,319,854</u>	<u>27,524,953</u>

Ordinary shares

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

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

On 28 June 2024, 1,568,715 ordinary shares were issued in lieu of salary to participating employees. The shares issued are subject to voluntary escrow until 28 June 2025.

Share buy-back

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

Capital risk management

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

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

Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs. There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2023 Annual Report.

Accounting policy for 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.

Note 12. Reserves

	Consolidated	
	2024	2023
	\$	\$
Financial assets at fair value through other comprehensive income reserve	(1,534,664)	(1,534,664)
Share-based payments reserve	78,303	71,379
	<u>(1,456,361)</u>	<u>(1,463,285)</u>

Note 12. Reserves (continued)

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payment Reserve \$	FVOCI reserve \$	Total \$
Balance at 1 July 2022	37,273	(1,534,664)	(1,497,391)
Options issued under employee share-based payments note 25	34,106	-	34,106
Balance at 30 June 2023	71,379	(1,534,664)	(1,463,285)
Options issued under employee share-based payments note 25	25,293	-	25,293
Lapsed options	(18,369)	-	(18,369)
Balance at 30 June 2024	<u>78,303</u>	<u>(1,534,664)</u>	<u>(1,456,361)</u>

* Financial assets at fair value through other comprehensive income reserve

Note 13. Accumulated losses

	Consolidated	
	2024	2023
	\$	\$
Accumulated losses at the beginning of the financial year	(19,565,751)	(18,786,782)
Loss after income tax expense for the year	(1,050,737)	(778,969)
Transfer from equity - lapsed employee options	18,369	-
Accumulated losses at the end of the financial year	<u>(20,598,119)</u>	<u>(19,565,751)</u>

Note 14. Dividends

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

Note 15. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group'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 Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Note 15. Financial instruments (continued)

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group has no past due or impaired debtors as at 30 June 2022.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

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

Fair value of financial instruments

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

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the Group are as follows:

	2024		2023	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Consolidated				
<i>Assets</i>				
Cash and cash equivalent	406,738	406,738	1,239,464	2,539,464
Financial assets	500,000	500,000	1,300,000	1,300,000
Receivables	28,241	28,241	29,509	29,509
	<u>934,979</u>	<u>934,979</u>	<u>2,568,973</u>	<u>3,868,973</u>
<i>Liabilities</i>				
Trade payables	126,463	126,463	256,138	256,138
Other payables	34,805	34,805	38,175	38,175
	<u>161,268</u>	<u>161,268</u>	<u>294,313</u>	<u>294,313</u>

Note 16. Key management personnel disclosures

Directors

The following persons were Directors of Petratherm Limited during the financial year:

Derek Carter	Non-Executive Chairman
Simon O'Loughlin	Non-Executive Director
Donald Stephens	Non-Executive Director
Simon Taylor	Non-Executive Director

Note 16. Key management personnel disclosures (continued)*Other key management personnel*

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Peter Reid

CEO

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2024	2023
	\$	\$
Short-term employee benefits	393,567	355,065
Post-employment benefits	40,700	33,132
Share-based payments	20,833	9,947
	<u>455,100</u>	<u>398,144</u>

Detailed remuneration disclosures have been included in the remuneration section of the Directors' Report

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2024	2023
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>60,220</u>	<u>69,715</u>

Note 18. Commitments

	Consolidated	
	2024	2023
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation	<u>1,172,549</u>	<u>751,498</u>

Exploration and evaluation commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to meet minimum expenditure requirements in respect of tenement lease rentals. These obligations are expected to be fulfilled in the normal course of operations.

Note 19. Related party transactions*Parent entity*

Petratherm Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 21.

Note 19. Related party transactions (continued)*Key management personnel*

Disclosures relating to key management personnel are set out in note 16 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current financial year other than Director's fees (2023: \$Nil).

Payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2024	2023
	\$	\$
Current payables:		
Director's fees payable	25,211	-

Loans to/from related parties

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

Terms and conditions

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

Note 20. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$	\$
Loss after income tax	(1,049,997)	(777,347)
Total comprehensive income	(1,049,997)	(777,347)

Note 20. Parent entity information (continued)*Statement of financial position*

	Parent	
	2024	2023
	\$	\$
Total current assets	1,178,624	3,096,719
Total assets	5,768,960	6,843,888
Total current liabilities	267,230	366,838
Total liabilities	298,487	383,804
Net assets	5,470,473	6,460,084
Equity		
Issued capital	27,524,953	27,489,120
Financial assets at fair value through other comprehensive income reserve	(1,534,664)	(1,534,664)
Share-based payments reserve	78,303	71,379
Accumulated losses	(20,598,119)	(19,565,751)
Total equity	5,470,473	6,460,084

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024	2023
		%	%
MNGI Pty Ltd	Australia	100%	100%
Hiltaba Pty Ltd	Australia	100%	100%

Note 22. Events after the reporting period

Muckanippie Project

On 11 September 2024 the Group announced that mapping, surface sampling and re-assaying of historic drilling has discovered high-grade Titanium rich heavy mineral sands (HMS) over several kilometers at the Muckanippie Project. A 4000-metre drilling program is scheduled to start early October 2024 to test grade and extent of HMS mineralisation and high-grade Titanium-Vandium basement horizons.

Successful placement to underpin drilling at Muckanippie and share purchase plan (SPP)

On the 17th of September 2024 the Group announced that it had received firm commitments to raise \$1,600,000 by way of placement of 45,714,285 ordinary fully paid shares. The placement was strongly supported by existing and new investors. Subject to shareholder approval the Directors have agreed to contribute \$200,000 to the placement.

To reward shareholders with the opportunity to participate in the issue of new shares in the Company, the directors resolved to offer eligible retail shareholders participation in the equity raising through a SPP to raise up to an additional \$1M by subscribing for up to \$30,000 each at \$0.035 per share.

The proceeds of the placement and SPP will be used to underpin the upcoming drilling operations at Muckanippie, advance Petratherm's Copper Projects and provide for general working capital.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 23. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2024 \$	2023 \$
Loss after income tax expense for the year	(1,050,737)	(778,969)
Adjustments for:		
Depreciation and amortisation	6,668	5,153
Share-based payments	25,293	34,106
Non operating receivables	(233,059)	(498,374)
Non operating payables	105,088	(25,436)
Change in operating assets and liabilities:		
Decrease in receivables	290,200	500,891
Increase in prepayments	(4,403)	(3,049)
Increase/(decrease) in trade and other payables	(106,379)	9,300
Increase in employee benefits	21,062	29,064
Net cash used in operating activities	<u>(946,267)</u>	<u>(727,314)</u>

Note 24. Earnings/(losses) per share

	Consolidated 2024 \$	2023 \$
Loss after income tax attributable to the Owners of Petratherm Limited	<u>(1,050,737)</u>	<u>(778,969)</u>

Note 24. Earnings/(losses) per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	226,319,854	224,751,139
Weighted average number of ordinary shares used in calculating diluted earnings per share	226,319,854	224,751,139
	Cents	Cents
Basic earnings/(losses) per share	(0.46)	(0.35)
Diluted earnings/(losses) per share	(0.46)	(0.35)

In accordance with AASB 133 Earnings per Share, potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings/(losses) per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings/(losses) per share.

Note 25. Share-based payments

The Group established the Petratherm Limited Employee Share Option Plan and a summary of the Rules of the Plan are set out below:

- All employees (full and part time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by a member of the Group, although the Board may waive this requirement.
- Options are granted under the Plan at the discretion of the Board and if permitted by the Board, may be issued to an employee's nominee.
- Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable once service period vesting conditions are met. Options will be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares, the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.
- If, prior to the expiry date of options, a person ceases to be an employee of the Group for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 6 months from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for official quotation of any options issued under the plan.
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

The objective of company's reward framework is to ensure employment reward for performance is competitive and appropriate for results delivered.

The Board ensures that the reward satisfied the following key criteria for good reward government practices:

Note 25. Share-based payments (continued)

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management.

The remuneration framework compliments to the reward strategy of the organisation and aligns to the program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides recognition for contribution.

A summary of the Company options on issue during the year is as follows:

2024		Exercise	Balance at the start of the year	Granted during the year	Exercised	Lapsed	Balance at the end of the year
Grant date	Expiry date	price					
16/08/2021	16/08/2024	\$0.10	100,000	-	-	(100,000)	-
01/10/2021	01/10/2024	\$0.08	1,000,000	-	-	-	1,000,000
12/01/2023	12/01/2026	\$0.09	500,000	-	-	-	500,000
05/05/2023	05/05/2026	\$0.02	250,000	-	-	(250,000)	-
05/05/2023	05/05/2026	\$0.09	75,000	-	-	-	75,000
29/12/2023	29/12/2026	\$0.06	-	325,000	-	-	325,000
			1,925,000	325,000	-	(350,000)	1,900,000

The above options were equity-settled share-based compensation benefits granted to the employees under the employee share option plan. The options are simple time vesting options. On 9 August 2023, 100,000 unlisted options with an exercise price of \$0.098 and 250,000 unlisted options with an exercise price of \$0.096 lapsed. As a result, the expenses recognised during the year on a pro rata basis was \$6,924. Options issued to new employees vest on the first anniversary of the commencement date. The fair value of the options granted during the period were calculated by using a Black-Scholes option pricing model applying the following inputs:

Grant date:	29 December 2023
Vesting date:	29 December 2024
Expiry date:	29 December 2026
Share price at grant date:	\$0.047
Exercise price:	\$0.069
Expected share price volatility:	125.04%
Risk-free interest rate:	5.22%
Fair value at grant date:	\$15,251

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.04 years. (2023: 1.85 years).

Accounting policy for share-based payments

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

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

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

Note 25. Share-based payments (continued)

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

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

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

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

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

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the Directors



Derek Carter
Chairman

30 September 2024

Independent Auditor's Report

To the Members of Petratherm Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Petratherm Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

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

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets – Note 10	
At 30 June 2024, the carrying value of exploration and evaluation assets was \$4,516,121. In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.	Our procedures included, amongst others: • reviewing management’s area of interest considerations against AASB 6; • conducting a detailed review of management’s assessment of trigger events prepared in accordance with AASB 6 including: – tracing projects to statutory registers, exploration licenses, and third party confirmations to determine whether a right of tenure existed; – enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management’s budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • evaluating the competence, capabilities, and objectivity of management’s experts in the evaluation of potential impairment triggers; • assessing the accuracy of any impairment recorded for the year as it pertains to exploration interests; and • assessing the appropriateness of the related financial statement disclosures.
Going concern basis of preparation of the financial statements - Note 2	
As described in Note 2 to the financial report, the financial statements have been prepared on a going concern basis. Assessing the appropriateness of the Group’s basis of preparation for the financial statements was a key audit matter due to the importance to the financial statements and the level of judgement required in the assessing the Group’s forecast cashflows for a period of at least 12 months from the audit report date.	Our procedures included, amongst others: • ensuring the period covered by the Group’s going concern assessment is at least 12 months from the date of our auditor’s report and all relevant information based on our knowledge of the Group as a result of the audit has been included in the assessment;

Going concern basis of preparation of the financial statements - Note 2 (Cont.)

- enquiring of management and the Board of Directors as to their knowledge of events or conditions that may cast significant doubt on the Group's ability to continue as a going concern;
- assessing the forecast cashflow assumptions based on historical results and cashflow expenditure initiatives undertaken;
- obtaining written representation from management and the Board of Directors regarding their plans for future action and the feasibility of these plans; and
- assessing the adequacy of the Group's going concern basis of preparation disclosures for the financial statements for consistency with Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, 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 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:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Petratherm Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 30 September 2024

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 23 September 2024.

Distribution of equitable securities

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

	Ordinary shares
	Number of holders
1 to 1,000	1,396
1,001 to 5,000	586
5,001 to 10,000	255
10,001 to 100,000	622
100,001 and over	291
	<u>3,150</u>
Holding less than a marketable parcel	<u>2,273</u>

Equity security holders

Twenty largest quoted equity security holders

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

Name	Ordinary shares Number held	%
TAYCOL NOMINEES PTY LTD (211 A/C)	8,027,839	3.01
GREENSLADE HOLDINGS PTY LTD	7,839,638	2.94
CITICORP NOMINEES PTY LIMITED	7,498,866	2.82
ELLIOTT SERVICES PTY LTD (THE ELLIOTT FAMILY A/C)	6,896,921	2.59
CPO SUPERANNUATION FUND PTY LTD (C & P O'CONNOR S/F A/C)	6,850,000	2.57
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,628,202	2.49
CALAMA HOLDINGS PTY LTD (MAMBAT SUPER FUND A/C)	6,076,226	2.28
MR MICHAEL ANDREW WHITING + MRS TRACEY ANNE WHITING (WHITING FAMILY S/F A/C)	5,709,363	2.14
ARREDO PTY LTD	5,500,000	2.07
MR ROBERT LLOYD BLESING	5,000,000	1.88
DORICA NOMINEES PTY LTD (SUPER FUND A/C)	4,865,421	1.83
GP SECURITIES PTY LTD	4,400,000	1.65
CITICORP NOMINEES PTY LIMITED (DPSL A/C)	4,028,622	1.51
JIMZBAL PTY LTD (JIMZBAL SUPER A/C)	3,500,000	1.31
MR ARNOLD GETZ + MRS RUTH GETZ	3,417,667	1.28
GENEX RESOURCES PTY LTD	2,994,321	1.12
THE CAPOZZI FAMILY SUPER PTY LTD (CAPOZZI FAMILY S/FUND A/C)	2,985,000	1.12
MRS SAU HAN ALICE PHILLIPS	2,919,807	1.10
MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON (THE DENA SUPER FUND A/C)	2,800,000	1.05
LOTAKA PTY LTD	2,800,000	1.05
	<u>100,737,893</u>	<u>37.81</u>

Unquoted equity securities

The following unquoted equity securities are on issue:

Class	Number on issue	Number of holders
OPTION EXPIRING 1 OCTOBER 2024 EX \$0.08	1,000,000	1
OPTION EXPIRING 12 JANUARY 2026 EX \$0.09	500,000	1
OPTION EXPIRING 5 MAY 2026 EX \$0.09	75,000	1
OPTION EXPIRING 29 DECEMBER 2026 EX \$0.06	75,000	1
OPTION EXPIRING 29 DECEMBER 2026 EX \$0.06	250,000	1

Substantial holders

There are no substantial holders in the Company.

Voting rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Restricted securities

Class	Expiry date	Number of securities
Fully paid ordinary shares subject to voluntary escrow	28 June 2025	1,568,715

Tenements

Description	Tenement number	Interest owned %
Mt Barry	EL 6333	100
Kanku (Mt Willoughby - extended)	EL 6404	100
Mt Euee (Mt Barry - extended)	EL 6405	100
Comet	EL 6443	100
Gina	EL 6633	100
Woomera	EL 6707	100
Sturt	EL6715	-
West Comet	EL 6722	100
Muckanippie	EL 6815	100
Commonwealth Hill	EL 6816	100
Perfection Well	EL 6818	100
Arcoona	EL 6854	100
Mulgathing	EL 6855	100
Dingo Well	EL6873	-
The Pines	EL 6918	100
Dean Bore	EL 6919	100
Baby Creek	EL6949	100
Cadaree Hill	EL6950	100

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
MNGI Pty Ltd	Body corporate	Australia	100.00%	Australia
Hiltaba Pty Ltd	Body corporate	Australia	100.00%	Australia
Petratherm Limited	Body corporate	Australia	100.00%	Australia

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.



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