

VBX PTY LTD

ACN 163 215 914

ANNUAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2024**

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CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of VBX Pty Ltd and its controlled entities ('the Group'). The Group's functional and presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's report. The Director's report is not part of the financial report.

Directors

Mr Ryan de Franck – Managing Director
Mr Richard de Franck – Non-Executive Director
Mr George Lloyd – Non-Executive Director
Ms Vivienne Powe – Non-Executive Director

Company Secretary

Mr Steven Wood (appointed 31 July 2022, resigned 5 February 2024)
Mr Ryan de Franck (appointed on 5 February 2024)

Registered Office

47 Ord Street, West Perth WA 6005

Principal Place of Business

Unit 13, 83 Hector Street
Osborne Park, WA 6017

Share Registry

Automatic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000
Telephone: +1300 288 664

Auditors

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Bankers

Westpac Banking Corporation
681 Beaufort Street
Mt Lawley WA 6050

Solicitors

Hamilton Locke
Level 27/152-158
St Georges Terrace
Perth WA 6000

DIRECTORS' REPORT

Your Directors' present the following report on VBX Pty Ltd and its controlled entities (referred to hereafter as "the Group") for the year ended 30 June 2024.

Directors

The persons who were Directors of VBX Pty Ltd during the reporting period and up to the date of this report are:

NAME	ROLE	APPOINTMENT/RESIGNATION DATE
Mr Ryan de Franck	Managing Director	Appointed on 9 April 2013
Mr Richard de Franck	Non-Executive Director	Appointed on 19 August 2016
Mr George Lloyd	Non-Executive Director	Appointed on 24 April 2020
Ms Vivienne Powe	Non-Executive Director	Appointed on 8 July 2022

Company Secretary

Mr Ryan de Franck (appointed on 5 February 2024)

Mr Steven Wood (resigned on 5 February 2024)

Principal Activities

During the financial year the principal activities of the Group were the exploration and evaluation of the Wuudagu Bauxite Project. There were no significant changes in the nature of the activities of the Group during the year.

Dividends

There were no dividends paid or proposed during the year.

Review of Operations

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of \$3,464,241 for the financial year ended 30 June 2024.

Significant Change in State of Affairs

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

Likely developments and expected results of operations

The Group will continue its mineral exploration and development activity at and around its projects with the object of identifying commercial resources.

The Group will also continue to identify and assess potential business development opportunities suitable for the Group.

Environmental Regulation

The Group is subject to significant environmental regulation in respect of mineral exploration activities.

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Company's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

The Directors are mindful of the regulatory regime in relation to the impact of organisational activities on the environment.

There have been no known breaches by the Group during the year.

DIRECTORS' REPORT

Material Business Risk

The Group considers the following to be its key material business risks:

Additional requirements for capital

The Group's capital requirements depend on numerous factors. The Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Exploration and Operating Risk

The mineral exploration licenses comprising the Company's projects are at various stages of exploration, and mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these licenses, or any other mineral licenses that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. There is also a risk of an environmental spill, accident or some other environmental disaster that could have adverse financial consequences and could also raise concerns about the Company's social license to operate. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

DIRECTORS' REPORT

Matters Subsequent to Reporting Date

Date	Details
July 24 to December 24	<i>Loan Draw Down</i> Subsequent to year end, the Company exercised its right to call upon a series of unsecured loan notes totalling \$136,500 from to Ryan de Franck to fund ongoing working capital requirements.
	Number of loan notes issued: 341,250
	Maturity date: 31 December 2024
	Face value \$136,500
	Repayment price: \$0.44
	Repayment: \$150,150
	Interest rate: Nil
December 24	<i>Capital Raising</i> In December 24, the Company completed a capital raising via the issuance of 7,525,000 fully paid ordinary shares at \$0.40 per share to a range of sophisticated and institutional investors, raising a total of \$2,811,340 (net of costs).
December 24	<i>Settlement of Director Loans</i> In December 24, the Company issued 1,231,745 fully paid ordinary shares at \$0.40 per share and paid \$429,952 (GST excl.) in cash to related parties of the Company to settle all outstanding loan obligations.
December 24	<i>Settlement of Director Fees</i> In December 24, the Company issued 292,380 fully paid ordinary shares at \$0.40 per share and paid \$462,158 (GST excl.) in cash to related parties of the Company to settle Director Fees accrued up until 31 December 2024. In addition, the Company and Mr Ryan de Frank have resolved to settle the remaining Director Fees accrued up until 31 December 2024 of \$237,500 in cash, subject the completion of an Initial Public Offering.
February 25	<i>Acquisition of Tiwi Exploration Pty Ltd</i> In February 25, the Company entered into an agreement to acquire 100% of the issued capital of Tiwi Exploration Pty Ltd ("Tiwi"), an entity controlled by Managing Director Ryan de Franck and legal and beneficial owner of prospective bauxite tenements ELA 33727 and ELA 33755 located on Melville Island, Northern Territory. Under the terms of the agreement, the Company will pay \$1 in consideration to acquire the issued capital of Tiwi and reimburse Mr Ryan de Franck up to \$2,223 in tenement application and registration costs via Indmin Pty Ltd, the sole shareholder of Tiwi.

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

DIRECTORS' REPORT

Information on Directors

The names of the directors of VBX who held office during the financial year and at the date of this report are:

Mr Ryan de Franck
Managing Director

Qualifications

BCom, M.AppFin, GD.MinExGeo

Appointed

Managing Director since 9 April 2013

Company Secretary since 5 February 2024

Experience

Ryan de Franck has a broad range of experience across corporate finance, corporate development and company management with a focus on the natural resources sector. From 2007 to 2014 he was a Corporate Finance Executive with Deloitte in Perth and Liberum Capital in London. In 2014 he founded Valperlon, a diversified natural resources exploration and project development group. He holds a Bachelor of Commerce degree from the University of Western Australia, a Masters in Applied Finance from Financial Securities Institute of Australia and a Graduate Diploma in Mineral Exploration Geoscience from the Western Australian School of Mines.

Interest in Shares, Options and Performance Rights

26,891,667 Ordinary fully paid shares

25,000,000 Performance rights

Other current directorships

Non-Executive Director: Terra Metals Limited (ASX: TM1)

Former directorships held in past three years

Non-Executive Director: Fin Resources Limited

(ASX: FIN) – resigned 31 May 2022

Mr George Lloyd
Non-Executive Chairman

Qualifications

B.Sc.Eng (Industrial Engineering), MBA, FAICD

Appointed

Non-Executive Chairman since 24 April 2020

Experience

Mr Lloyd has over 40 years of resource industry and corporate finance experience, serving as a senior executive and director of listed and unlisted companies in engineering services, industrial minerals, base and precious metals, and energy.

Mr Lloyd holds a Bachelor of Engineering Science in Industrial Engineering, a Master of Business Administration, (both from the University of New South Wales), Stanford Executive Program (Stanford University), FAICD. Mr Lloyd's professional career has encompassed roles with RGC Limited; Elders Resources Limited; Southern Pacific Petroleum NL, Central Pacific Minerals NL and Australian Gas Light Company.

Interest in Shares, Options and Performance Rights

175,000 Ordinary fully paid shares

1,000,000 Options

Other current directorships

Chairman: Astron Corporation Limited

(ASX: ATR)

Former directorships held in past three years

N/A

DIRECTORS' REPORT

Mr Richard de Franck Non-Executive Director

Qualifications

B.Com

Appointed

Non-Executive Director since 19 August 2016

Experience

Mr de Franck has over 40 years' experience specialising in industrial relations and human resources management in the resources sector. Mr de Franck's professional career included working with J Ray McDermott, Davey McKee Pacific, Offshore Installation Services Pty Ltd and GRN Australasia Pty Ltd.

Mr de Franck has a Bachelor of Commerce from the University of Western Australia.

Mr de Franck is currently a Director of Offshore Installation Services Pty Ltd.

Interest in Shares, Options and Performance Rights

11,316,667 Ordinary fully paid shares
500,000 Options

Other current directorships

N/A

Former directorships held in past three years

N/A

Ms Vivienne Powe Non-Executive Director

Qualifications

B.Eng (Met Eng) with Distinction, GD. AppFin, MBA, GAICD, F.FIN, F.AusIMM

Appointed

Non-Executive Director since 8 July 2022

Experience

Ms Powe has over 30 years of project development, operational and corporate development experience across a broad range of commodities including senior executive positions with Perenti, Global Advanced Metals, BHP, Iluka and Woodside Energy.

Ms Powe holds a Bachelor of Metallurgical Engineering with Distinction (Honours equivalent) from the Royal Melbourne Institute of Technology, a Graduate Diploma in Applied Finance from the Financial Services Institute of Australasia (FINSIA) and a Masters in Business Administration (Technology Management) from Deakin University.

Interest in Shares, Options and Performance Rights

250,000 Options

Other current directorships

Non-Executive Director: Artemis Resources Limited (ASX:ARV)

Former directorships held in past three years

N/A

DIRECTORS' REPORT

Director Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the year are:

	Number of Director Meetings Eligible to Attend	Number of Director Meetings Directors' Attended
Director		
Mr Ryan de Franck	5	5
Mr Richard de Franck	5	5
Mr George Lloyd	5	5
Ms Vivienne Powe	5	5

Company Secretary

Mr Ryan de Franck was appointed as Company Secretary on 5 February 2024 following Mr Woods resignation on that date.

Conversion of Parent Entity (VBX Limited) from Public to Private Company

As part of the Company's capital management strategy, on 31 January 2024 shareholders resolved to convert parent company VBX Limited from public to private. All documents relating to this matter were submitted to ASIC on 19 February 2024.

Financial Position

The net (liabilities) of the consolidated Group have increased to (\$1,626,893) as at 30 June 2024 (2023: (\$1,628,652)). The Group's working capital (deficiency), being current assets less current liabilities was (\$1,643,708) at 30 June 2024 (2023: (\$1,642,801)).

Shares under option and performance rights

Unissued ordinary shares of VBX Pty Ltd under option and performance rights at the date of this report are as follows:

Security Code	Grant Date	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
Performance rights	3 Dec 2019	5 years from listing date	Nil	-	25,000,000
Unlisted options	9 Sep 2022	3 years from listing date	\$0.75	1,750,000	-
			Total	1,750,000	25,000,000

Shares Issued on Exercise of Options and Performance Rights

During the financial year no ordinary shares of the Group were issued as a result of the exercise of performance rights or options.

Insurance of Officers

During the year, VBX Pty Ltd paid a premium to insure the directors and secretary of the Group.

Proceedings on behalf of the group

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

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

DIRECTORS' REPORT

Non-audit services

No non-audit services were performed during the financial year (2023: \$52,109).

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

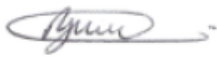
Details of the amounts paid or payable to the auditor for audit and non-audit services provided are disclosed in Note 17.

As a result of no non-audit services conducted during the financial year, the Board of Directors are satisfied with the auditor independence requirements of the *Corporation Act 2001*.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.



Mr Ryan de Franck
Managing Director

Perth, Western Australia, 28 February 2025

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF VBX PTY LIMITED

As lead auditor of VBX Pty Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of VBX Pty Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit Pty Ltd
Perth
28 February 2025

INDEPENDENT AUDITOR'S REPORT

To the members of VBX Pty Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of VBX Pty 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.

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

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Group's annual report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 28 February 2025

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2024 FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note	Year ended 30 June 2024 \$	Year ended 30 June 2023 \$
Revenue from continuing operations			
Other income		78	900
Compliance and legal expense		(15,428)	(309,064)
Administration expense		(9,907)	(92,999)
Directors and consultants expense		(227,574)	(447,633)
Exploration expense		(150,518)	(651,483)
Depreciation and amortisation		(18,390)	(18,799)
Marketing expense		(4,236)	(1,198)
Share based payments expense	11	(3,000,000)	(457,590)
Finance costs		(38,266)	(33,061)
Profit/(Loss) before income tax		(3,464,241)	(2,010,927)
Income tax expense		-	-
Profit/(Loss) after income tax		(3,464,241)	(2,010,927)
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		-	-
Other comprehensive loss for the period, net of tax		-	-
Total comprehensive profit/(loss) for the year		(3,464,241)	(2,010,927)
Total comprehensive profit/(loss) is attributable to:			
Owners of VBX Pty Ltd		(3,464,241)	(2,010,927)
		(3,464,241)	(2,010,927)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	3,522	51,235
Trade and other receivables		12,600	35,735
Total current assets		16,122	86,970
Non-current assets			
Property, plant and equipment		105	189
Right of use assets	5	25,934	44,240
Total non-current assets		26,039	44,429
TOTAL ASSETS		42,161	131,399
LIABILITIES			
Current liabilities			
Trade payables and other payables	6	897,569	980,168
Borrowings	7	741,205	330,000
Convertible notes	8	-	400,000
Lease liability	9	21,056	19,603
Total current liabilities		1,659,830	1,729,771
Non-current liabilities			
Lease liability	9	9,224	30,280
Total non-current liabilities		9,224	30,280
TOTAL LIABILITIES		1,669,054	1,760,051
(NET ASSET DEFICIENCY)		(1,626,893)	(1,628,652)
EQUITY			
Issued capital	10	4,915,510	4,449,510
Reserves	11	3,457,590	457,590
Accumulated losses		(9,999,993)	(6,535,752)
(NET DEFICIENCY IN EQUITY)		(1,626,893)	(1,628,652)

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2023	4,449,510	457,590	(6,535,752)	(1,628,652)
Total comprehensive income/(loss) for the period				
Loss for the year	-	-	(3,464,241)	(3,464,241)
Total comprehensive income/(loss) for the period	-	-	(3,464,241)	(3,464,241)
Transactions with owners, recorded directly in equity				
Share based payments	-	3,000,000	-	3,000,000
Value of conversion rights on convertible notes	400,000	-	-	400,000
Shares issued in lieu of payments to suppliers, net of transaction costs	66,000	-	-	66,000
Balance at 30 June 2024	4,915,510	3,457,590	(9,999,993)	(1,626,893)
	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	4,449,510	-	(4,524,825)	(75,315)
Total comprehensive income/(loss) for the period				
Loss for the year	-	-	(2,010,927)	(2,010,927)
Total comprehensive income/(loss) for the period	-	-	(2,010,927)	(2,010,927)
Transactions with owners, recorded directly in equity				
Share based payments	-	457,590	-	457,590
Balance at 30 June 2023	4,449,510	457,590	(6,535,752)	(1,628,652)

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Payments to suppliers and employees		(250,608)	(356,428)
Payment for exploration and evaluation expenditure		(150,518)	(651,483)
Interest received		78	900
Net cash outflow from operating activities	4	(401,048)	(1,007,011)
Cash flows from investing activities			
Net cash outflow from investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings	7	375,000	300,000
Proceeds from the issue of convertible notes	8	-	400,000
Payments of principal portion of lease liabilities		(21,665)	(21,394)
Net cash inflow from financing activities		353,335	678,606
Net increase (decrease) in cash and cash equivalents		(47,713)	(328,405)
Cash and cash equivalents at beginning of the financial period		51,235	379,640
Cash and cash equivalents at end of the year	4	3,522	51,235

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. Summary of material accounting policies

(a) Basis of preparation

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

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

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sales financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Groups accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in relevant notes below.

(b) New, revised or amended Accounting Standards and Interpretations adopted

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

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

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by VBX at the end of the reporting period. A controlled entity is any entity over which VBX has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in note 15 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

(d) Exploration and Evaluation Expenses

Exploration and evaluation costs are expensed in the year they are incurred.

(e) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. Summary of material accounting policies (continued)

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(g) Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted when the fair value of goods and/or services cannot be determined. The fair value of options granted is measured using the Black-Scholes option pricing model. The fair value of performance rights granted is measured using the trinomial barrier model where required. The model uses assumptions and estimates as inputs. Some performance rights value is determined with reference to the share price on the grant date.

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. Summary of material accounting policies (continued)

(h) Right of use assets

A right of use assets is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expect to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right of use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(i) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset, or to profit or loss if the carrying amount of the right of use asset is fully written down.

(j) Convertible notes

Convertible notes can be converted to share capital at the option of the holder. The liability component of the convertible note is recognised at fair value on initial recognition, the fair value of the convertible note will equate to the proceeds received. Any directly attributable transaction costs are allocated to the convertible note liability.

Where the convertible note has embedded derivative features and the company is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, it shall designate the entire hybrid contract as at fair value through Profit and Loss account.

The convertible note liability is removed from the statement of financial position when the obligations specified in the contract are discharged. This can occur upon the option holder exercising their option or the option period lapses requiring the Company to discharge the obligation.

(k) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(l) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. Summary of material accounting policies (continued)

(m) Current and non-current classification

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

(n) Parent entity information

The financial information for the parent entity, VBX Pty Ltd, disclosed in Note 18 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries and associates are accounted for at cost in the financial statements of VBX Pty Ltd. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking the fair value of employee services.

(o) Critical Accounting Judgements, Estimates and Judgements

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.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 11 for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. Summary of material accounting policies (continued)

(p) Going Concern

The financial report has been prepared on a going concern basis with the Directors of the opinion that the Group can meet its obligations as and when they fall due.

For the year ended 30 June 2024, the Group recorded a loss of \$3,464,241 (2023: loss \$2,010,927), and had a net cash outflow from operations of \$401,048 (2023: \$1,007,011). At 30 June 2024, the Group had \$3,522 (30 June 2023: \$51,235) in cash and cash equivalents. For the Group to continue to carry out its exploration activities, meet its expenditure requirements and continue as a going concern it is dependent on securing additional funding. These conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business.

The Group has successfully demonstrated it is capable of securing additional funding. Supporting this view, from July 2024 to December 2024, the Group received \$136,500 through existing loan facilities from its directors (refer note 7) and in December 2024, the Group successfully raised gross proceeds of \$3,010,000 via the issuance of 7,525,000 fully paid ordinary shares at \$0.40 per share to sophisticated and institutional investors.

With a strengthened balance sheet and surplus net asset position, the Group was then able to repay all its loan facilities and accrued director fees via cash and/or script (note 16) and commenced the process of potentially accessing larger sums of capital as it completes its application to conduct an Initial Public Offering.

The Directors have prepared a cashflow forecast for the next 12-month period reflecting the improved net asset and working capital position of the Company and on the basis that it can satisfy at least, the minimum expenditure commitments of the Wuudagu Bauxite Project (Project) and any associated overheads to continue progressing the Project.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at the amounts that differ from those stated in the financial statements. The financial report does not include any adjustment relating to the recoverability and classification of the asset carrying amounts or the classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

2. Income tax

	2024 \$	2023 \$
(a) Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(3,464,241)	(2,010,927)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2023: 30%)	(1,039,272)	(603,278)
Adjustments for:		
Non-deductible expenses	965,555	234,152
Deduction for decline in value of depreciating assets	(25)	(148)
Other deductible expense	(5,698)	(6,531)
Tax losses not brought to account	79,440	375,805
	-	-
(b) Deferred income tax		
Tax value of losses carried forward	1,565,163	1,485,723
Accrued expenses	257,925	208,748
Non-recognition of deferred tax assets	(1,823,088)	(1,694,471)
	-	-
(c) Tax losses		
Australian tax losses of a revenue nature carried forward for which no deferred tax asset has been recognised	5,217,210	4,952,409
Potential Australian tax benefit at 30% (2023: 30%)	1,565,163	1,485,723

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. Income tax (continued)

The benefit for tax losses will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by law; and
- (iii) No changes in income tax legislation adversely affect the Company in utilising the benefits.

3. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

4. Cash and cash equivalents

	2024 \$	2023 \$
Current		
Cash at bank and in hand	3,522	51,235
Total cash and cash equivalent	3,522	51,235

Cash at bank and in hand earns interest at both floating rates based on daily bank rates.

Refer to Note 12 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

Operating cash flow reconciliation

	2024 \$	2023 \$
Reconciliation of operating cash flows to net profit/(loss)		
Profit/(loss) for the year	(3,464,241)	(2,010,927)
Depreciation and amortisation	18,390	18,799
Net finance costs	38,266	33,061
Share based payment expenses	3,000,000	457,590
Shares issued in lieu of fees	66,000	-
(Increase)/decrease in trade and other receivables	23,136	(378)
Increase/(decrease) in trade and other payables	(82,599)	494,844
Cash flow from operations	(401,048)	(1,007,011)

Non-cash investing activities

There were no non-cash investing activities during the period.

Non-cash financing activities

There were no non-cash financing activities during the period.

5. Right of use assets

	2024 \$	2023 \$
Land and buildings - right-of-use	109,838	109,838
Less: Accumulated amortisation	(83,904)	(65,598)
Total	25,934	44,240

Additions to the right-of-use assets during the year were nil. The company leases land and buildings for its warehouse under an agreement of two years with an option to extend for additional terms, up to 6 years. The arrangement does not include variable lease payments or residual guarantees. Where the lease includes the option to renew, this has been factored into the lease calculation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

6. Trade and other payables

	2024 \$	2023 \$
Current		
Trade payables	33,000	281,118
Accrued expenses	859,750	695,828
Other payables	4,819	3,222
	897,569	980,168

Material accounting policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 2 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 2 months. All amounts are expected to be settled within 12 months. Please refer to Note 12 on Financial Instruments for further discussion on risk management.

7. Borrowings

	2024 \$	2023 \$
Opening Balance	330,000	-
Issue of loans	375,000 ⁽ⁱ⁾	300,000 ⁽ⁱⁱ⁾
Implied Interest	36,205	30,000
Closing Balance	741,205	330,000

- (i) During the period, the Company received \$375,000 from the issuance and draw down of unsecured loan notes from existing shareholders to fund ongoing working capital requirements.

At 30 June 2024, the key terms of loan notes issued throughout the year are as follows:

Number of new loan notes available:	1,278,750
Number of loan notes drawn down:	937,500
Number of loan notes undrawn:	341,250
Maturity date:	31 December 2024
Face value:	\$0.40
Repayment price:	\$0.44
Repayment:	Each loan note is repayable in cash at the repayment price at any time on or prior to the maturity date.
Interest rate:	Nil

Subsequent to year end, the Group received a further \$136,500 from all undrawn loan notes at 30 June 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

7. Borrowings (continued)

- (ii) During the prior period, the Company received \$300,000 from the issuance and draw down of unsecured loan notes from existing shareholders to fund ongoing working capital requirements.

As at 30 June 2024, the key terms of the loan notes issued in the prior period are as follows:

Number of loan notes available:	750,000
Number of loan notes drawn down:	750,000
Maturity date:	31 December 2024
Face value:	\$0.40
Repayment price:	\$0.48
Repayment:	Each loan note is repayable in cash at the repayment price at any time on or prior to the maturity date.
Interest rate:	Nil

Subsequent to year end, all loan notes were repaid via a combination of cash and issue of shares.

8. Convertible notes

	2024 \$	2023 \$
Opening Balance	400,000	-
Issue of convertible notes ⁽ⁱⁱ⁾	-	400,000 ⁽ⁱⁱ⁾
Less conversion of convertible notes into share capital on conversion date ⁽ⁱ⁾	(400,000)	-
Closing Balance	-	400,000

- (i) During the financial period, the Company issued 1,000,000 fully paid ordinary shares on conversion of the convertible notes at a conversion price of \$0.40 per share.
- (ii) During the prior period, the Company issued \$400,000 worth of convertible notes.

The key terms of the Convertible Notes were as follows:

Number of convertible notes:	1,000,000
Maturity date:	30 June 2023
Face value:	\$0.40
Conversion price:	Each convertible note will convert into ordinary shares (subscription shares) at the lower of a 20% discount to the issue price for ordinary shares in the next fundraising or at face value
Interest rate:	Nil
Automatic conversion:	Unless previously converted by the subscriber, conversion of the convertible note into ordinary shares will automatically occur at Face Value on the maturity date.

9. Lease liabilities

	2024 \$	2023 \$
Current		
Lease liability	21,056	19,603
Total current lease liability	21,056	19,603
Non-current		
Lease liability	9,224	30,280
Total current lease liability	9,224	30,280
Total lease liabilities	30,280	49,883

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

10. Issued capital

(a) Issued and fully paid

	30 June 2024		30 June 2023	
	\$	No.	\$	No.
Ordinary shares	4,915,510	57,389,583	4,449,510	56,224,583
	4,915,510	57,389,583	4,449,510	56,224,583

(b) Movement reconciliation

Ordinary Shares	No. of Shares	\$
Opening Balance at 1 July 2023	56,224,583	4,449,510
Conversion of 1,000,000 Convertible Notes to shares at \$0.40 per share	1,000,000	400,000
Shares issued in lieu of payments to suppliers, net of transaction costs ⁽ⁱ⁾	165,000	66,000
Share issue costs	-	-
Closing Balance at 30 June 2024	57,389,583	4,915,510

Ordinary Shares	No. of Shares	\$
Opening Balance at 1 July 2022	56,224,583	4,449,510
Share issue costs	-	-
Closing Balance at 30 June 2023	56,224,583	4,449,510

⁽ⁱ⁾ The Company issued 165,000 shares at \$0.40 per share to extinguish liabilities of \$66,000. Pursuant to AASB 2, as the company couldn't fair value the services rendered, the shares have been valued based on the market value of the shares issued.

The share capital of the Group as at 30 June 2024 was 57,389,583 ordinary shares. No shares of the Group were subject to escrow at 30 June 2024.

(c) Terms and conditions of issued capital

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

Unissued ordinary shares of VBX Pty Ltd under option and performance rights at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number
Performance rights ⁽ⁱ⁾	5 years from listing date	Nil	25,000,000
Options ⁽ⁱ⁾	3 years from listing date	\$0.75	1,750,000
			26,750,000

(i) Refer to note 11 for further details on the terms and conditions of the performance rights and options.

(d) Capital risk management

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

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets.

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

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

10. Issued capital (continued)

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

11. Share Based Payment Reserves

(a) Equity settled share-based payments

	30 June 2024		30 June 2023	
	\$	No.	\$	No
Performance rights reserve ^(b)	3,000,000	25,000,000	-	25,000,000
Options reserve ^(c)	-	1,750,000	457,590	1,750,000
	3,000,000	26,750,000	457,590	26,750,000

(b) Movement reconciliation

Performance Rights

	Number	\$
Balance at the beginning of the period – 1 July 2022	25,000,000	-
Movement during the year	-	-
Balance at the end of the period – 30 June 2023	25,000,000	-
Balance at the beginning of the period – 1 July 2023	25,000,000	-
Movement during the year	-	3,000,000
Balance at the end of the period – 30 June 2024	25,000,000	3,000,000

As at 30 June 2024, 25,000,000 performance rights were on issue to Director Ryan de Franck with the performance rights vesting upon achievement of either of the applicable Project Milestone or Share Price Milestone. These Milestones have been outlined below:

Performance Rights	Number	Project Milestone	Share Price Milestone	Milestone Date
Class A	5,000,000	Vest upon the Company completing and announcing a positive feasibility study for the development of the Wuudagu Bauxite Project	20-Day VWAP of a 20% premium to the IPO Issue Price	2 years from Listing Date
Class B	5,000,000	Vest upon the Company entering into an off take or marketing agreement for at least 1 million tonnes per annum of product produced from the Wuudagu Bauxite Project	20-Day VWAP of a 30% premium to the IPO Issue Price	3 years from Listing Date
Class C	5,000,000	Vest upon the Company completing and announcing financial close for the funding required for the development of the Wuudagu Bauxite Project	20-Day VWAP of a 60% premium to the IPO Issue Price	4 years from Listing Date
Class D	10,000,000	Vest upon the date that the Company achieves first delivery of product from the Wuudagu Bauxite Project to an agent or customer under an off take or marketing agreement	20-Day VWAP of a 100% premium to the IPO Issue Price	5 years from Listing Date
Total	25,000,000			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

11. Share Based Payment Reserves (continued)

The inputs for the valuation of the share-based payment have been stated below:

Grant Date:	3 December 2019
Number of Performance Rights:	25,000,000
Share Price at grant date ⁽ⁱ⁾	\$0.12
Expiry Date	5 years from Listing Date

⁽ⁱ⁾This is based on the share price at the most recent issue of capital being undertaken at grant date.

The table below shows the fair value for each class of Performance Rights:

Class	Fair Value \$
A	600,000
B	600,000
C	600,000
D	1,200,000
Total	3,000,000

The fair value of the Performance Rights is measured with reference to the share price on grant date and application of a likelihood of achieving the vesting conditions. This likelihood is required to be reassessed at each reporting date. Due to, amongst other things, the significant rise in bauxite prices and positive shift in market dynamics, management have assessed the probability of achieving either of the milestones, for Classes A-D as probable and as a result have recognized the full fair value of the performance rights at 30 June 2024.

No performance rights were issued as share based payments during the year ended 30 June 2024.

(c) Movement reconciliation

Options

	Number	\$
Balance at the beginning of the year – 1 July 2022	-	-
Movement during the year	1,750,000	457,590
Balance at the end of the period – 30 June 2023	1,750,000	457,590
Balance at the beginning of the year – 1 July 2023	1,750,000	457,590
Movement during the year	-	-
Balance at the end of the period – 30 June 2024	1,750,000	457,590

No options were issued as share based payment during the year ended 30 June 2024, however during the year ended 30 June 2023, 2,250,000 unlisted options were granted to the Company's Non-Executive Directors, exercisable at \$0.75 per option and expiring 3 years from the date the Company is quoted on the ASX. 500,000 options were subsequently forfeited when Ian Junk resigned on 20 February 2023. These options were issued for nil consideration as they were issued as a performance based component of the respective non-executive directors' remuneration packages.

Security	Number	Grant Date	Exercise Price	Expiry	Vesting Date
Unlisted Option	2,250,000	9 September 2022	\$0.75	3 years from Listing Date	Vested immediately

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

11. Share Based Payment Reserves (continued)

The Options were valued using a Black-Scholes Model with the following inputs:

	2024	2023
Fair Value per Option	-	\$0.20
Share Price	-	\$0.40
Exercise Price	-	\$0.75
Expected Volatility (weighted average)	-	100%
Expected Life (weighted average)	-	3
Expected dividends	-	Nil
Risk free interest rate (based on government bonds)	-	3.41%
Total Fair Value expensed	-	\$457,590

The fair value of the Options is measured with reference to the share price on grant date and application of a likelihood of achieving the vesting conditions. This likelihood is required to be reassessed at each reporting date.

At the reporting date, 30 June 2024, management have assessed the probability of the options being converted to shares to be 100% (2023: 100%).

12. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Groups overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however 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 and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Market risk

(i) Interest Rate Risk

The Group holds cash at bank with variable interest rates. The interest rate is low and changes in the interest rates will have minimal impact to the Group.

(ii) Foreign exchange risk

The Group operations and activities were largely based in Australia for the year ended 30 June 2024 and as such had minimal exposure to foreign exchange risk.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

12. Financial instruments (continued)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2024 \$	2023 \$
Cash and cash equivalents AA-	3,522	51,235
Total	3,522	51,235

(c) Maturity analysis of financial assets and liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

2024 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade payables	37,819	-	-	-	-	-	37,819
Other payables	859,750	-	-	-	-	-	859,750
Total financial liabilities	897,569	-	-	-	-	-	897,569

2023 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade payables	281,118	-	-	-	-	-	281,118
Other payables	699,050	-	-	-	-	-	699,050
Total financial liabilities	980,168	-	-	-	-	-	980,168

13. Operating segments

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Group operates within the mineral exploration industry within Australia.

The Group determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive the Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Statement of Financial Position and Statement of Comprehensive Income information received by the Board of Directors does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information. Based on this criterion, the Group has only one operating segment, being exploration, and the segment operations and results are the same as the Group results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

14. Commitments and contingent liabilities

(a) Exploration expenditure

In order to maintain mining tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-in/out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

	2024 \$	2023 \$
Exploration expenditure commitments		
Payable:		
Not later than 12 months	357,000	321,000
Between 12 months and 5 years	383,918	721,101
Greater than 5 years	-	-
Total	740,918	1,042,101

(b) Other commitments and contingency

At the date of the report no other material commitments, contingent assets or contingent liabilities exist that the Group is aware of, other than those disclosed above.

15. Related party disclosure

(a) Parent entities

VBX Pty Ltd is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of VBX Pty Ltd, and the subsidiaries listed in the following table.

	Country of Incorporation	30 June 2024 % Equity Interest	30 June 2023 % Equity Interest	Principal Activity
VBX Kalumburu Pty Ltd	Australia	100	100	Holding Subsidiary
Sustainabal Pty Ltd ⁽ⁱ⁾	Australia	100	100	Holding Subsidiary

(c) Key management personnel compensation

	2024 \$	2023 \$
Short-term employee benefits ⁽ⁱ⁾	195,000	210,548
Total	195,000	210,548

(i) No consideration was paid or issued relating to services performed regarding the 30 June 2024 financial year, as a result \$195,000 has been accrued (2023: accrual of \$199,341).

(d) Other transactions to/from related parties

Convertible Notes

On 20 November 2023, the Company issued \$30,000 in fully paid ordinary shares to Ryan de Franck ATF the Valperlon Trust, an entity related to Ryan de Franck, in relation to the conversion of convertible notes.

On 20 November 2023, the Company issued \$20,000 in fully paid ordinary shares to Brian Powe, a related party to Vivienne Powe, in relation to the conversion of convertible notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

15. Related party disclosure (continued)

Refer to Note 8 for further details.

Borrowings

On 1 November 2022, the Company received \$200,000 from the issuance of unsecured loan notes to Offshore Installation Services Pty Ltd, an entity related to Richard de Franck.

On 9 March 2023, the Company received \$50,000 from the issuance of unsecured loan notes to Offshore Installation Services Pty Ltd, an entity related to Richard de Franck.

On 9 March 2023, the Company received \$25,000 from the issuance of unsecured loan notes to Ryan de Franck ATF the Valperlon Trust, an entity related to Ryan de Franck.

On 9 March 2023, the Company received \$25,000 from the issuance of unsecured loan notes to Brian Powe, a related party to Vivienne Powe.

On 29 December 2023, the Company executed a loan agreement of up to \$261,500 facilitated through the issuance of unsecured loan notes to Ryan de Franck ATF the Valperlon Trust, an entity related to Ryan de Franck. As at 30 June 2024, the Company had received a total of \$125,000 pursuant to this agreement.

Refer to Note 7 for further details.

Share Based Payments

On 9 September 2022, the Company granted 2,250,000 unlisted options to Non-Executive Directors, 500,000 to Richard de Franck, 500,000 to Ian Junk, 1,000,000 to George Lloyd and 250,000 to Vivienne Powe.

500,000 unlisted options were forfeited when Ian Junk resigned on 20 February 2023.

Refer to Note 11 for further details.

16. Events after the reporting date

Date	Details
July 24 to December 24	Loan Draw Down Subsequent to year end, the Company exercised its right to call upon a series of unsecured loan notes totalling \$136,500 from to Ryan de Franck to fund ongoing working capital requirements.
	Number of loan notes issued: 341,250
	Maturity date: 31 December 2024
	Face value \$136,500
	Repayment price: \$0.44
	Repayment: \$150,150
	Interest rate: Nil
December 24	Capital Raising In December 24, the Company completed a capital raising via the issuance of 7,525,000 fully paid ordinary shares at \$0.40 per share to a range of sophisticated and institutional investors, raising a total of \$2,811,340 (net of costs).
December 24	Settlement of Director Loans In December 24, the Company issued 1,231,745 fully paid ordinary shares at \$0.40 per share and paid \$429,952 (GST excl.) in cash to related parties of the Company to settle all outstanding loan obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

16. Events after the reporting date (continued)

Date	Details
December 24	Settlement of Director Fees In December 24, the Company issued 292,380 fully paid ordinary shares at \$0.40 per share and paid \$462,158 (GST excl.) in cash to related parties of the Company to settle Director Fees accrued up until 31 December 2024. In addition, the Company and Mr Ryan de Frank have resolved to settle the remaining Director Fees accrued up until 31 December 2024 of \$237,500 in cash, subject the completion of an Initial Public Offering.
February 25	Acquisition of Tiwi Exploration Pty Ltd In February 25, the Company entered into an agreement to acquire 100% of the issued capital of Tiwi Exploration Pty Ltd ("Tiwi"), an entity controlled by Managing Director Ryan de Franck and legal and beneficial owner of prospective bauxite tenements ELA 33727 and ELA 33755 located on Melville Island, Northern Territory. Under the terms of the agreement, the Company will pay \$1 in consideration to acquire the issued capital of Tiwi and reimburse Mr Ryan de Franck up to \$2,223 in tenement application and registration costs via Indmin Pty Ltd, the sole shareholder of Tiwi.

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

17. Auditor's remuneration

	2024 \$	2023 \$
Audit Services		
Amounts received or due and receivable by BDO Audit Pty Ltd		
- An audit and review of the financial reports of the Group (including subsidiaries)	20,000	34,435
Non-Audit Services		
- Other assurance services (independent limited assurance report)	-	-
- Other assurance services (investigating accountant)	-	18,609
- Other assurance services (independent expert report)	-	30,900
- Other assurance services (Preparation and participation at DDC)	-	2,600
Total remuneration for audit & non-audit services	20,000	86,544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

18. Parent entity information

The following details information related to the parent entity, VBX Pty Ltd, as at 30 June 2024. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2024 \$	2023 \$
Current assets	16,122	86,970
Non-current assets	26,039	44,429
Total assets	42,161	131,399
Current liabilities	1,659,830	1,729,771
Non-current liabilities	9,224	30,280
Total liabilities	1,669,054	1,760,051
Contributed equity	4,940,510	4,474,510
Reserves	3,457,590	457,590
Accumulated losses	(9,999,993)	(6,535,752)
Share issue costs	(25,000)	(25,000)
Total equity	(1,626,893)	(1,628,652)
Loss after income tax	3,464,241	2,010,927
Other comprehensive income/ (loss) for the period	-	-
Total comprehensive loss for the period	3,464,241	2,010,927

Guarantees

The Company has not entered into any guarantees in relation to the debts of any of its subsidiaries.

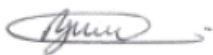
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DIRECTOR'S DECLARATION

The directors of the Company declare that:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, and:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Group.
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the Managing Director and Chief Financial Officer as required by section 295A, of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Mr Ryan de Franck
Managing Director

Perth, 28 February 2025