Aeramentum Resources Limited

A.B.N 59 650 754 484

Financial Report 2022

Aeramentum Resources Limited

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Financial Report for the period 3 June 2021 to 30 June 2022

Directors	Robert Thomson (Chairman) Geoffrey Robin Peter Muers Ben Jarvis
Company Secretary	Catriona Glover
Registered Office	C/o Six Degrees Group Holdings Pty Ltd Level 4, 8 Spring Street Sydney, NSW 2000 Australia Phone: +61 (2) 9230 0661
Share Register	Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney, NSW 2000 Australia Phone: +61 (2) 9290 9600
Auditor	MNSA Pty Ltd Level 1, 283 George Street Sydney, NSW 2000 Australia
Solicitors	Highgate Legal Pty Ltd 31 Highgate Cct North Kellyville, NSW 2155 Australia
Bankers	National Australia Bank Level 28, 395 Bourke Street Melbourne, VIC 3000 Australia
Stock Exchange Listing	Aeramentum Resources Limited anticipates to be listed on the Australian Securities Exchange under ASX code “AEN”
Website	www.aeramentumresources.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Aeramentum Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 June 2022. The Company was incorporated on 3 June 2021.

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

Robert Thomson (appointed 1 July 2021)
Geoffrey Robin Peter Muers (appointed 3 June 2021)
Ben Jarvis (appointed 1 July 2021)

Principal activities
The Company was incorporated on 3 June 2021, for the exclusive purpose of acquiring the Treasure Project and development and exploration in Cyprus.

The principal activity of the consolidated entity during the financial period consisted of the acquisition and exploration of the consolidated entity's mining tenements and undertaking an Initial Public Offering of its shares (IPO) and ASX listing in 2022.

Dividends
No Dividends were paid during the financial period.

Review of operations

The Company was incorporated on 3 June 2021 with $7,000 in initial subscribed equity capital and with the specific intention of acquiring an exploration project in the Republic of Cyprus, known as the Treasure Project, comprising 6 prospecting licenses holding by Caerus Mineral Resources PLC ("Caerus").

On 29 July 2021 the Company entered into a Share Purchase Agreement ("SPA") to acquire 100% of PR Ploutonic Resources Ltd ("Ploutonic") from Caerus. At the date of this report the SPA has been successfully completed.

The key terms of the SPA include:
- that the Company will pay £300,000 in cash to acquire a 100% interest in Ploutonic, plus £200,000 in IPO shares;
- Assignment of Black Pine Reconnaissance 1 and 2 licenses after deposit of £30,000 is received by Caerus (paid 30 July 2021 following execution of the SPA);
- Transfer of 2 tenements licenses AE4812 and AE4813 and re-application of AE4653 and AE4654 to Ploutonic before the remaining £270,000 is paid (Paid 5 November 2021); and
- Should the IPO not take place within the 12 months of the SPA, the consideration amount of £200,000 becomes due in cash.

In September 2021, the Company raised $1,116,500 to finalise the acquisition of Ploutonic and to fund first exploration work and progress toward an Initial Public Offering ("IPO") of the Company.

The Treasure Project is considered to be:
- A potential high grade narrow vein VMS-type sulphide deposit: with up to 1.5km of historical adits with grades reported in historical sampling and drilling of up to 3.4% Co, 18% Cu, 12% Ni and 17g/t Au;
- The last drill program (18 holes, 2013/14) recorded several high-grade intercepts including 2m @ 3.0% Ni, 3.0g/t Au, 0.15% Co; 2.6m @ 4.2g/t Au, 1.7% Cu; 4.2m @ 1.7% Cu, 1.2g/t Au, 0.15% Co.

Fieldwork including mapping, sampling, preparation of GIS database and review of historical documents commenced in October 2021, and a geological team established from local and expatriate geologists (up to 6 geologists on-site) has been actively evaluating the project, planning the maiden drilling campaign and working on a number of reports and maps which were required for preparation of the IPO documentation.

On 17 February 2022, the Group raised $222,985 to fund the exploration work and progress toward an Initial Public Offering ("IPO") of the Company. As a result, 2,229,850 shares were issued at $0.10 in February 2022, after costs of $12,915, proceeds of $210,070 was received. 2,076,665 options were issued with exercise price at $0.25 expiring 16 February 2025. The value of the options is estimated at the date of grant using Black-Scholes option pricing model is $39,457.

On 1 April 2022, the Group raised $200,000 to fund the working capital of the Company. As a result, 2,000,000 shares were issued at $0.10. After costs of $9,000, proceeds of $191,000 was received. Share-based payment of 483,894 shares were issued in lieu of directors fees totalling $48,389.40; 1,800 shares were issued for broker services received of $180. 166,667 options were issued with exercise price at $0.25 expiring 31 March 2025. The value of the options is estimated at the date of grant using Black-Scholes option pricing model is $3,166.

On 9 May 2022, 4,500,000 performance rights were issued to directors and key management personnel with a fair value based on Black-Scholes model of $49,500.

Financial Performance
The loss of the consolidated entity for the financial period after providing for income tax amounted to $608,582, which reflects costs associated with development of the project, and preparation for the IPO.

Significant changes in state of affairs
There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Impact of Covid-19
The impact of the Coronavirus ("COVID-19") pandemic is ongoing and while it has been financially neutral for the consolidated entity up to 30 June 2022, it is not practicable to estimate the potential impact, either positive or negative, after the reporting date. The COVID-19 situation continues to evolve and its future impact is dependent upon measures imposed by the Australian Government and foreign governments worldwide.

Matters subsequent to the end of the financial year
On 26 August 2022, the Company issued 1,805,000 shares in a pre-IPO raise of $180,500. As a result, $170,870 was received after costs of $9,630.

On 14 September 2022, a Replacement Prospectus was lodged with ASIC, and subsequently extended the Offer to 30 November 2022. On 25 November 2022, the Replacement Prospectus was withdrawn from the Offer on the Australian Securities Exchange.

5,920,000 shares held by directors and/or their associates were cancelled and were approved by shareholders in an Extraordinary General Meeting on 7 October 2022.

During November 2022, the Company commenced the process of raising up to $1.5 million in additional capital at $0.10 per share, principally to fund the finalisation of the acquisition of the Treasure Project, commence drilling early in 2023 at the Laxia Project and other working capital.

Likely developments and expected results of operations
The consolidated entity intends to list on the ASX in the 2nd quarter of 2023 and continue exploration activities on its portfolio of six prospecting licenses high grade battery metals (Ni-Cu-Co-Au) projects in Cyprus, as soon as practicable, after the completion of its IPO.

Environmental regulation
The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

Board of directors
The names and positions of the directors of the consolidated entity in office during the financial period and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated, are:

Robert Thomson (appointed 1 July 2021)
Independent Non-executive Director

Mr Thomson is a Mining Engineer with extensive experience (gold and base metals) in site operations, the development of exploration projects into sustainable mining operations and businesses in Asia, Africa, Canada and Australia. He has a Bachelor of Engineering (Mining) from the University of Queensland, a MBA from the University of Wollongong and is a Fellow of the Australasian Institute of Mining and Metallurgical Engineers. He also has extensive corporate and industry experience with local and international mining companies in senior executive roles and as a non-executive director of publicly listed companies on the ASX and formerly on the AIM Exchange and the TSX-V. Mr Thomson is currently a non-executive Director of ASX listed Pacific Nickel Mines Limited (ASX:PNM) and Southern Palladium Limited (ASX:SPD). He was a non-executive director of South African focused Theta Gold Mines Limited (ASX: TGM) (Resigned 13 August 2021).

Geoffrey Robin Peter Muers (appointed 3 June 2021)
Managing Director

A geologist by training, Geoff has worked with the industry for over 20 years, including as a mining analyst in buy and sell side roles in Sydney in stockbroking and funds management; More recently, undertaking due diligence, valuation and marketing of mining projects globally for public and private investors. Geoff has assessed over 100 mining and exploration projects globally across a number of continents, and founded Aeramentum in 2021 to focus on the Black Pine project in Cyprus.

Ben Jarvis (appointed 1 July 2021)

Independent Non-executive Director

Mr. Jarvis is the Managing Director of Six Degrees Investor Relations, an Australian advisory firm that provides investor relations services to a broad range of companies listed on the Australian Securities Exchange. He is an experienced public company director being a Non-Executive Director of ASX-listed Austral Gold Limited (ASX:AGD) and QX Resources Limited (ASX:QXR). Mr. Jarvis was educated at the University of Adelaide where he majored in Politics.

Company secretary
Catriona Glover

Catriona is a qualified lawyer with over 20 years' experience in corporate and commercial law with a focus on corporate governance and company secretarial advice for both listed and unlisted companies. Catriona has provided legal, corporate governance and company secretarial advice to a number of companies in a wide range of industries including biopharma, financial services, mining, stockbroking, education, manufacturing, software as well as not-for-profit organisations. Catriona has been appointed as company secretary to a number of listed and unlisted companies, including VGI Health Technology Limited, Far East Gold Ltd and Invictus Biopharma Pty Ltd.

Directors' meetings

The following table sets out the number of directors' meetings held during the financial period and the number of meetings attended by each director (while they were a director or committee member).

	Board of Directors	
	Eligible to Attend	**Attended**
Robert Thomson	5	5
Geoffrey Muers	5	5
Ben Jarvis	5	5

There was no Audit and Remuneration Committee meeting held during the financial period ended 30 June 2022.

Directors' interests

The following table sets out the number of securities held by directors and/or their associates in the Company as at 30 June 2022 (later subject to scale-back, on 7 October 2022, by 5,920,000 shares as mentioned on page 3).

	Ordinary	Performance Rights	
	Shares	**Class A**	**Class B**
Robert Thomson (appointed 1 July 2021)	3,891,947	475,000	475,000
Geoffrey Muers (appointed 3 June 2021)	7,650,000	1,250,000	1,250,000
Ben Jarvis (appointed 1 July 2021)	3,041,947	275,000	275,000

Shares issued on exercise of options
There were no shares issued on the exercise of options during the financial year ended 30 June 2022.

Indemnity and insurance of officers
The Company has indemnified its directors and officers for liabilities and costs incurred in their capacity as a director or an officer, for which they may be held personally liable; except where there is a lack of good faith or wilfull misconduct.

During the financial period, the Company has not paid a premium in respect of a contract to insure its directors and officers.

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

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

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

Auditor
MNSA Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-audit Services
During the period, the Company also paid $20,000 to MNSA Pty Ltd for other non-audit services.

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 the Company's directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Geoffrey Muers
Managing Director

30 November 2022
Sydney NSW Australia

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AERAMENTUM RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN 59 650 754 484

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Aeramentum Resources Limited and its controlled entities.

As the lead auditor for the audit of the financial report of Aeramentum Resources Limited and its controlled entities for the period ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 30th of November 2022

Contents

General information

The financial statements cover Aeramentum Resources Limited as a consolidated entity consisting of Aeramentum Resources Limited and the entities it controlled at the end of, or during, the financial period. The financial statements are presented in Australian dollars, which is the functional and presentation currency of Aeramentum Resources Limited.

Aeramentum Resources Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered Office
C/o - Six Degrees Group Holdings Pty Ltd
Suite 402, Level 4
8 Spring Street
Sydney NSW 2000
Australia

A description of the nature of the consolidated entity'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 November 2022. The directors have the power to amend and reissue the financial statements.

Aeramentum Resources Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2022

	Note	3 June 2021 to 30 June 2022 $
Expenses		
Administration and Legal Expenses	**4**	(448,389)
Depreciation		(282)
Employee Benefits		(61,611)
Share-based payments	**22**	(97,889)
Finance costs		(411)
		(608,582)
Loss before income tax expense from continuing operations		
Income tax expense	**5**	-
Loss after income tax expense for the period		(608,582)
Other comprehensive income		
Total comprehensive loss for the period		(608,582)
Loss for the period is attributable to owners of the Company		(608,582)
Total comprehensive loss is attributable to owners of the Company		(608,582)
Basic/diluted (loss) per share	**6**	(0.03)

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

Aeramentum Resources Limited
Consolidated statement of financial position
As at 30 June 2022

	Note	2022 $
Assets		
Current assets		
Cash and cash equivalents	**7**	87,789
Prepayment	**8**	152,312
Trade and other receivables	**11**	9,650
Total Current Assets		249,751
Non-current assets		
Property, plant and equipment	**9**	3,007
Exploration and evaluation assets	**10**	1,280,258
Trade and other receivables	**11**	17,449
Total Non-current Assets		1,300,714
Total Assets		1,550,465
Liabilities		
Current liabilities		
Trade and other payables	**12**	521,959
Borrowings	**13**	25,282
Total Current Liabilities		547,241
Total Liabilities		547,241
Net Assets		1,003,224
Equity		
Issued capital	**14**	1,519,712
Reserves	**15**	92,094
Accumulated losses	**16**	(608,582)
Total Equity		1,003,224

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

Aeramentum Resources Limited
Consolidated statement of changes in equity
For the period ended 30 June 2022

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 3 June 2021 (date of incorporation)				
Total comprehensive loss for the period	-	-	(608,582)	(608,582)
Share-based payments	48,389	49,500	-	97,889
Shares issued during the period	1,618,666	-	-	1,618,666
Shares issue costs	(147,343)	42,623	-	(104,720)
Foreign Currency Translation in foreign operation		(29)	-	(29)
Balance at 30 June 2022	1,519,712	92,094	(608,582)	1,003,224

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

Aeramentum Resources Limited
Consolidated statement of cash flows
For the period ended 30 June 2022

	Note	2022 $
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)		(490,932)
Interest Paid		(411)
Net cash used in operating activities	**17**	(491,343)
Cash flows from investing activities		
Payment for property, plant and equipment		(3,289)
Acquisition of exploration and evaluation assets		(556,025)
Exploration cost		(375,471)
Net cash used in investing activities		(934,785)
Cash flows from financing activities		
Proceeds from shares issue		1,618,665
Share issue transaction costs		(104,719)
Net cash provided by financing activities		1,513,946
Net increase in cash held		87,818
Cash at the beginning of the financial period		-
Effect of exchange rate fluctuations on cash held		(29)
Cash at the end of the financial period	**7**	87,789

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

Note 1. Significant accounting policies

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

New or amended Accounting Policies by the Group
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.

AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2

The Group has applied AASB 2020-8 which amends various standards to help listed entities to provide financial statement users with useful information about the effects of the interest rate benchmark reform on those entities' financial statements. As a result of these amendments, an entity:

• will not have to derecognise or adjust the carrying amount of financial statements for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;

• will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and

• will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates. The amendment has not had a material impact on the Group's financials.

a) 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'), as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention and going concern
The Group's financial statements have been prepared on a going concern basis. There does not currently appear to be either any significant impact upon the financial position of the consolidated entity or any significant uncertainties with respect to events or conditions which may impact the financial position of the consolidated entity at the reporting date and subsequent. The financial statements cover the period from the Group's incorporation on 3 June 2021 to 30 June 2022.

Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements, are disclosed in note 2.

b) Cash and cash equivalents
For the purpose of the cash flow statements, cash and cash equivalents includes:
- cash on hand and at call deposits with banks or financial institutions; and
- investments in money market instruments with less than 90 days to maturity that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Note 1. Significant accounting policies (continued)

c) Employee benefits (continued)

Other long-term employee benefit obligations

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

Defined contribution superannuation expense

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

d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

e) Goods and Services Tax

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

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

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

f) Trade and other payables

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 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

g) Loss per share

Basic loss per share

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

Diluted loss per share

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

Note 1. Significant accounting policies (continued)

h) Contributed equity
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.

i) Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

j) Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

k) 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 plant and equipment 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 consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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

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

Note 1. Significant accounting policies (continued)

n) Share based payments

Under AASB 2 Share Based Payments, the Company must recognise the fair value of shares and options granted to directors, employees and consultants as remuneration as an expense on a prorate basis over the vesting period in the Consolidated Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the nonmarket vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. No revision to original estimates is made in respect of options issued with market based conditions.

The Company provides benefits to employees (including directors) and consultants of the Group in the form of share based payment transactions, whereby employees and consultants render services in exchange for shares or rights over shares (‘equity-settled transactions’). The cost of these equity-settled transactions with employees (including directors) and consultants is measured by reference to fair value at the date they are granted. The fair value is determined using an appropriate option pricing model.

In relation to the valuation of the share-based payments, these are valued using an appropriate option valuation method. Once a valuation is obtained management use an assessment as to the probability of meeting non-market based conditions. Market conditions are vested over the period in which management assess it will take for these conditions to be satisfied.

o) New accounting standards and interpretations

The following new accounting standards and interpretations, have been published that are not mandatory for 30 June 2022 reporting periods and have not yet been adopted in the financial statements:

AASB 17: Insurance Contracts
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.
AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The above accounting standards are effective for annual reporting periods on or after 1 January 2023. None of these are expected to have a material impact on the financial statements.

p) Going Concern

The consolidated entity has a net current asset deficiency of $297,490 at 30 June 2022.

The 30 June 2022 Financial Report has been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

The Directors believe that the consolidated entity will be able to fund future operations through funding offered by potential new investors, further share issues to existing shareholders, and successful IPO of the Company.
Notwithstanding the cost containment measures, without:

- funding offered by potential new investors;
- further share issues to existing shareholders; and
- successful IPO of the Company.

or a combination of these events, the consolidated entity may not be able to continue as a going concern. These circumstances indicate there is a material uncertainty as to whether the consolidated entity will be able to continue as a going concern.

Note 1. Significant accounting policies (continued)

p) Going Concern (continued)
If the consolidated entity is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities in order to realise assets and extinguish liabilities other than in the normal course of business and at amounts different from those stated in the 30 June 2022 Financial Report.

Note 2. Critical accounting 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.

Employee benefits provision
There are no employee benefits expected to be settled more than 12 months from the reporting date.

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

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity 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.

Valuation Options and performance rights

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Note 3. Operating segments
Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being exploration and mining operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 3. Operating segments (continued)

Types of products and services

The principal products and services of this operating segment are the exploration and evaluation operations predominately in Cyprus.

Note 4. Expenses

	2022 **$**
Audit fees	20,000
IPO costs - Professional, Consultants and legal fees	170,526
Corporate Expenses	44,155
Travel Expenses	43,980
Legal fees	17,202
Operation Expenses	152,526
	448,389

Note 5. Income tax

a) The prima facie income tax benefit on pre-tax accounting loss reconciles to the income tax amount in the financial statements as follows:

Loss from ordinary activities	(608,582)
Prima facie income tax benefit calculated at 25% of taxable loss	(152,146)
Non-deductible items	
Movement in unrecognised temporary differences	45,090
Taxable losses not recognised	107,056
Income tax expense	-

b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised.	608,582
Potential tax benefit at 25%	152,146

The Tax losses may be carried forward indefinitely subject to the condition imposed by Law.

Note 6. Loss Per Share

	2022 $
Basic/diluted (loss) per share	(0.03)
	Number
Weight average number of ordinary shares used in the calculation of basic/diluted loss per share	22,896,269

Note 7. Cash and Cash Equivalents

Cash at bank	87,789

Note 8. Prepayment

Prepayments	147,622
Deferred cost	4,690
	152,312

Note 9. Property, Plant and Equipment

Plant and equipment	
at cost	3,289
accumulated depreciation	(282)
Total property, plant and equipment	3,007

Movement in property, plant and equipment	**Equipment $**	**Total $**
2022		
Balance at 03 June 2021	-	-
Addition	3,289	3,289
Depreciation	(282)	(282)
Balance at 30 June 2022	3,007	3,007

Note 10. Exploration and evaluation assets

	2022 $
At cost	
Tenements Acquisition	922,237
Exploration and evaluation expenditures	358,021
	1,280,258

Note 11. Trade and Other Receivables

	2022 $
Current Assets	
GST receivable	9,650
Non-Current Assets	
Tenement bonds	17,449

Note 12. Trade and Other Payables

Trade payables	103,600
Accruals and other payables	52,147
Other payable – Caerus Mineral Resources PLC*	366,212
	521,959

* £ 200,000 payable as part of acquisition of PR Ploutonic Resources Limited to be paid in IPO shares. Should the IPO not take place within 12 months the balance is to be paid in cash.

Note 13. Borrowings

Unsecured Loan	
Premiums funding	26,926
Unexpired interests	(1,644)
	25,282

Note 14. Issued Capital

31,880,544 fully paid ordinary shares	1,519,712

Movement in ordinary share capital		**Number of shares**	**Issue price $**	**Share capital $**
3 June 2021	Opening balance	-		-
6 July 2021	Share placement	7,000,000	0.001	7,000
5 August 2021	Share placement	9,000,000	0.008	72,000
6 October 2021	Share placement	11,165,000	0.10	1,116,500
17 February 2022	Share placement	2,229,850	0.10	222,985
1 April 2022	Share placement	2,001,800	0.10	200,180
1 April 2022	Share-based payment (i)	483,894	0.10	48,389
	Transaction costs relating to share issues	-		(147,342)
30 June 2022	Balance at end of period	31,880,544		1,519,712

(i) Share-based payments

As part of the private equity capital raising in April 2022 ("Pre-IPO Capital Raising"), Aeramentum Resources Limited issued the following shares in lieu of cash payments for director services rendered:

241,947 shares issued at 10 cents per share to a related entity of Non-executive Director Rob Thomson as payment of directors' fees for consideration of $24,194.
241,947 shares issued at 10 cents per share to a related entity of Non-executive Director Ben Jarvis as payment of directors' fees for consideration of $24,194.

Note 15. Reserves

	2022 **$**
Options Reserve	42,623
Performance Rights Reserve	49,500
Foreign Currency Translation Reserve	(29)
	92,094

Note 16. Accumulated Losses

Opening balance	-
Loss after income tax expense for the period	(608,582)
Accumulated losses at the end of the financial period	(608,582)

Note 17. Reconciliation of profit or loss after income tax to net cash from operating activities

	2022 **$**
Loss after income tax expense for the period	(608,582)
Adjustments for:	
Depreciation	282
Share-based payments	97,889
Change in operating assets and liabilities:	
(Increase) in other receivables	(161,962)
Increase in trade and other payables	103,600
Increase in accrual and other payables	77,430
Net cash used in operating activities	(491,343)

Note 18. Financial Instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of risks, including capital markets risk, foreign currency risk, commodity price risk, interest rate risk, credit risk, and liquidity risk. The consolidated entity's overall risk management initiatives focus on the unpredictability of financial markets and seeks to mitigate the potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses various methods to measure the impact of different types of risk, to which, it is exposed.

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. Fluctuations in the British Pound and Euro may impact on the Group's financial results unless those exposures are appropriately hedged.

Commodity price risk
The consolidated entity is exposed to the volatility of commodity price cycles, and is especially exposed to the pricing fluctuations of copper, gold, nickel and cobalt.

Note 18. Financial Instruments (continued)

Interest rate risk
The consolidated entity is not exposed to any significant interest rate risk.

Credit Risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity is not exposed to any significant credit risk.

Liquidity Risk
The consolidated entity is exposed to significant liquidity risks. Should the Company's IPO fail, such outcome would constrain the Company's ability to implement its present business plan. Conversely, a successful achievement of its IPO and listing on the ASX, would enable the Company to pursue its commercial objectives.

Note 19. Contingent Liabilities

There are no material contingent liabilities at 30 June 2022.

Note 20. Related Party Transactions

Parent entity
Aeramentum Resources Limited is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 21 below.

Transactions with related parties
There were no transactions with related parties made during the financial period or in existence at the reporting date.

Loans to/from related parties
There were no loans to or from related parties made during the financial period or in existence at the reporting date.

Note 21. Remuneration/Emolument Payments to Directors and Key Management Personnel

a) Directors

The directors of Aeramentum Resources Limited during the period were:

Mr Geoffrey Muers – Managing Director (appointed on 3 June 2021)
Mr Robert Thomson – Non-executive Director (appointed on 1 July 2021)
Mr Ben Jarvis – Non-executive Director (appointed on 1 July 2021)

b) Key Management Personnel compensation

		2022
		$
Short-term employee benefits		121,811
Post-employment benefits		8,182
Share-based payments	**22(i)**	92,389
		222,382

Directors' fees have been accrued for the period 1 May 2022 to 30 June 2022.

During the period ended 30 June 2022, Mr Muers was paid a director fee of $30,000 and a consultant fee of $68,382.

Note 22. Share-based Payments

	2022 **$**
i) Directors	
Performance Rights – Class A	(22,000)
Performance Rights – Class B	(22,000)
Shares in lieu of Directors' fees	(48,389)
	(92,389)
ii) Consultants	
Performance Rights – Class A	(2,750)
Performance Rights – Class B	(2,750)
	(5,500)
Total	(97,889)

a) Performance Rights

Performance Rights issued to Directors and Consultants in two tranches. The Company has attributed a value of $49,500 to 4,500,000 Performance Rights at the date of grant using a probability valuation analysis based on a Black-Scholes pricing model.

(i) Directors Performance Rights
4,000,000 performance rights were granted to directors during the period ended 30 June 2022. The Company has attributed a value of $44,000 to the Performance Rights.

(ii) Consultants Performance Rights
500,000 performance rights were granted to consultants during the period ended 30 June 2022.The Company has attributed a value of $5,500 to the Performance Rights.

Each performance rights entitle to be issued an ordinary share in the Company for nil exercise price upon the satisfaction of certain vesting conditions. The vesting conditions are summarised below:

Tranche	Milestone	Expiry Date
Class A Performance Rights	Each Class A Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a volume weighted average share price of $0.40 or higher for at least a two-month period post IPO and prior to expiry.	Three (3) years from the Listing Date of the Company on the ASX
Class B Performance Rights	Each Class B Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a volume weighted average share price of $0.40 or higher for at least a two-month period post the first anniversary of IPO and prior to expiry.	Four (4) years from the Listing Date of the Company on the ASX

b) Shares issued for services under a share based payment arrangement during the period.
483,894 shares issued at $0.10 for directors' services under a share based payment arrangement during the period ended 30 June 2022.

c) Options issued for services under a share based payment arrangement during the period.
2,076,665 options were issued with exercise price at $0.25 expiring 16 February 2025 for services rendered for February 2022 Pre-IPO raising during the period ended 30 June 2022.

166,667 options were issued with exercise price at $0.25 expiring 31 March 2025 for services rendered for April 2022 Pre-IPO raising during the period ended 30 June 2022.

The total value of the options is estimated at the date of grant using Black-Scholes option pricing model is $42,623.

Note 23. Auditors' Remuneration

	2022 **$**
Remuneration of the auditor of the Group for: Audit services	
Audit and review of financial statements	20,000
Remuneration of the auditor of the Group for: Other services	
Professional assurance services	20,000

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name of controlled entity	**Country of incorporation**	**Ownership interest 2022 %**
PR Ploutonic Resources Limited	Cyprus	100

Note 25. Parent Entity Information

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

a) Summary financial information

Statement of Profit or Loss and other comprehensive income

	Parent 2022 $
Loss after income tax expense for the period	(608,582)
Total comprehensive loss	(608,582)

Statement of Financial Position

Current assets	248,452
Non-current assets	1,302,013
Total assets	1,550,465
Current liabilities	547,241
Total liabilities	547,241
Net assets	1,003,224
Equity	
Issued capital	1,519,712
Reserves	92,094
Accumulated losses	(608,582)
Total equity	1,003,224

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

Note 26. Commitments

IPO Expenditure
Prior to 30 June 2022, Aeramentum Resources Limited had entered into several service provider agreements to facilitate the preparation work towards the IPO. The directors estimate that the cost of these services will be approximately $55,000.

Note 27. Events subsequent to reporting date

On 26 August 2022, the Company issued 1,805,000 shares in a pre-IPO raise of $180,500. As a result, $170,870 was received after costs of $9,630.

On 14 September 2022, a Replacement Prospectus was lodged with ASIC, and subsequently extended the Offer to 30 November 2022. On 25 November 2022, the Replacement Prospectus has been withdrawn from the Offer on the Australian Securities Exchange.

5,920,000 shares held by directors and/or their associates were cancelled and were approved by shareholders in an Extraordinary General Meeting on 7 October 2022.

During November 2022, the Company commenced the process of raising up to $1.5 million in additional capital at $0.10 per share, principally to fund the finalisation of the acquisition of the Treasure Project, commence drilling early in 2023 at the Laxia Project and other working capital.

Directors' Declaration

In accordance with a resolution of the directors of Aeramentum Resources Limited, the directors of the Company declare that:

1. the financial statements and notes, as set out on pages 8 to 24, are in accordance with the *Corporations Act 2001* and:
    a. comply with Australian Accounting Standards applicable to the Consolidated Group, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
    b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the period ended on that date of the Consolidated Group;
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* for the financial period ended 30 June 2022.

On behalf of the directors

____
Geoffrey Muers
Managing Director

30 November 2022
Sydney NSW Australia

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AERAMENTUM RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN 59 650 754 484

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aeramentum Resources Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 period then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Aeramentum Resources Limited and its controlled entities 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 2022 and of its financial performance for the period then ended; 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* (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.

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 period ended 30 June 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group 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 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 30th of November 2022