

# **Nimrod Resources** **Annual Report 2022**



Helicopter supported work enabled our Exploration Manager and support staff to cross the Warrego River to reach the Grass Hut Prospect



## Chairman's Report

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Dear Shareholder,

On behalf of the Board of Nimrod Resources Limited (the "Company"), it is my pleasure to present to you the annual report for the Year Ending 30 June 2022.

In June-2022 the Company completed the raising of new equity of approximately \$1.1M before transaction costs, enabling the advancement of its exploration activities. I take this opportunity to thank participating Shareholders for their demonstration of confidence in the exploration program being undertaken.

I refer you to the Independent Geologist's Report contained within Section 9 of the June-22 Capital Raising prospectus (available on our website [www.nimrodresources.com.au](http://www.nimrodresources.com.au)) which provides an overview of the Company's recent exploration activities. Of note is the completion of 71 aircore holes for 4442m across the Bourke Project which has identified a blind copper – gold target at the existing Springvale Dome Prospect and a conceptual orogenic gold target at the Grass Hut Prospect. Furthermore, I am pleased to announce that our work in advancing the mineral prospectivity in the area has been recognised by the NSW New Frontiers Cooperative Drill Grant, where Nimrod won a co-funded drill grant of up to \$200,000.

Nimrod remains active in the ongoing assessment of its existing and potential new tenement assets in line with its exploration strategy / principles to explore in the Bourke Project area, to ensure Shareholder value is maximized. During the year, a number of tenements were released to ensure Nimrod remains focused on the most prospective portion of the Bourke Project.

In recent months, there has been widespread ongoing rainfall and flooding in New South Wales, including the Bourke Project area, which has severely delayed the timing of planned next phase of drilling and exploration activities. We will be pushing forward with the 2022-2023 Exploration Program when site access permits and drilling contractors are available.

Further capital raising will continue to be a key issue in the first half of 2023, and I believe the exploration program direction being undertaken is best positioned to deliver exploration success and Shareholder value.

On behalf of the Board, I thank all those who have contributed to the Nimrod of today, our Shareholders, Directors, Consultants and Contractors.

*Bruce D McIver*

Bruce D McIver AM

Executive Director & Chairman

26th October 2022

## Directors & Officers

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**Bruce McIver, AM, FAICD**

**Chairman**

Bruce is a Non-Executive Director of The City of Brisbane Investment Corporation (CBIC) and Palmer Leisure Australia Pty Ltd. He is also the Chairman of Sozo Resources Pty Ltd, Hunt Resources Pty Ltd and the McIver Group of Companies. Previously Bruce has served on a number of Boards specialising in Bulk Shipping, Mining Logistics, Oil & Gas Logistics, Property and with Australia Post. He also held positions in Australian Politics. Bruce has been a Fellow of the Australian Institute of Company Directors (AICD) since 2004.



**Peter Jans, LLB (Hons), Grad. Dip (Ancient History), MA**

**Non-Executive Director**

Peter is a senior commercial, corporate and resources lawyer with direct ASX listed experience, including group general counsel and company secretary for ERM Power Limited (ASX: EPW), Queensland Gas Company Limited (ASX:QGC) and CS Energy Limited (QLD: GOC). Peter has extensive experience in capital markets, including IPOs, mergers, acquisitions, equity and funding raisings, corporate governance and structuring, as well as regulatory dealings (ASX, ASIC and ACCC).



**Terry O'Reilly B.Com, MBA, M.AppFin, FAICD, CPA**

**Non-Executive Director**

Terry has extensive commercial experience in both Australia and Asia. With Rio Tinto he had Managing Director roles at Pacific Coal and Coal and Allied. He has been a director of a number of listed and unlisted companies including MacArthur Coal and is currently Chair of Batchfire Resources Pty Ltd.



**DAVID HUTTON**

**Non-Executive Director – B.Sc. (Hons), FAusIMM, MAIG**

David has over 30 years mining industry experience, having worked in a range of operational roles with the MIM Group, Forresteria Gold, Western Metals, LionOre Australia, both locally and overseas. David has extensive mineral exploration experience across a number of commodities including gold, copper, nickel, silver, lead and zinc. Prior to joining Nimrod Resources, David spent the last 12 years as Managing Director of two ASX – listed mineral exploration companies – firstly Breakaway Resources and then Mithril Resources. He has a Bachelor of Science (Honours) degree majoring in Geology from Monash University Victoria, is a Fellow of Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Geoscientists.

## Directors & Officers (contd.)

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**Mark Day** BA (Hons), LLB, FGIA

**Company Secretary**

Mark has experience in commercial, legal and diplomatic roles throughout Asia Pacific. He has over thirty year's experience as a commercial lawyer in multinational law firms in Australia, Hong Kong and Shanghai as well as in-house as general counsel and company secretary for large public and private corporations including in the minerals sector. Mark has been a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.



**Stephen Gaffney** B.Bus (Acctcy), B.Laws, ACA

**Financial Controller**

Stephen has 20 years of professional and commercial accounting experience with a demonstrated history of working in the pharmaceutical, aviation, manufacturing, cement, mining & metals industries. He has worked both domestically and internationally, spanning both privately listed and public companies. Stephen has extensive experience in cash flow, business planning, financial analysis, corporate governance, equity and capital raisings, management, M&As and consolidation. He is a member of the Australian Institute of Chartered Accountants.

## Management

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**Damien Mizow B.Sc. (Hons)**

**Exploration Manager**

Damien has a 16 year career in the mineral industry having worked in Australia, Scandinavia and Ecuador. This has included experience in underground mine geology and extensive experience in greenfields base-metal and gold exploration and management of advanced exploration programs. Previous engagements have ranged from working with junior exploration companies through to majors and mid-tier mining companies such as Xstrata Zinc and Oz Minerals. Mr Mizow holds a Bachelor of Science with Honours, majoring in Geology, from the University of Adelaide and is a Director of Hunt Resources Pty Ltd.

# Review of Operations

## Company Overview

Nimrod Resources Limited ("Nimrod") is an unlisted public company engaged in mineral exploration for gold and base-metals.

## Project Location

Nimrod has two projects termed the Bourke and Little Peak Projects. The Bourke Project is the flagship asset and is located 70km north of Bourke in New South Wales. The Little Peak Project is located 75km north-east of Cobar in New South Wales (Figure 1).

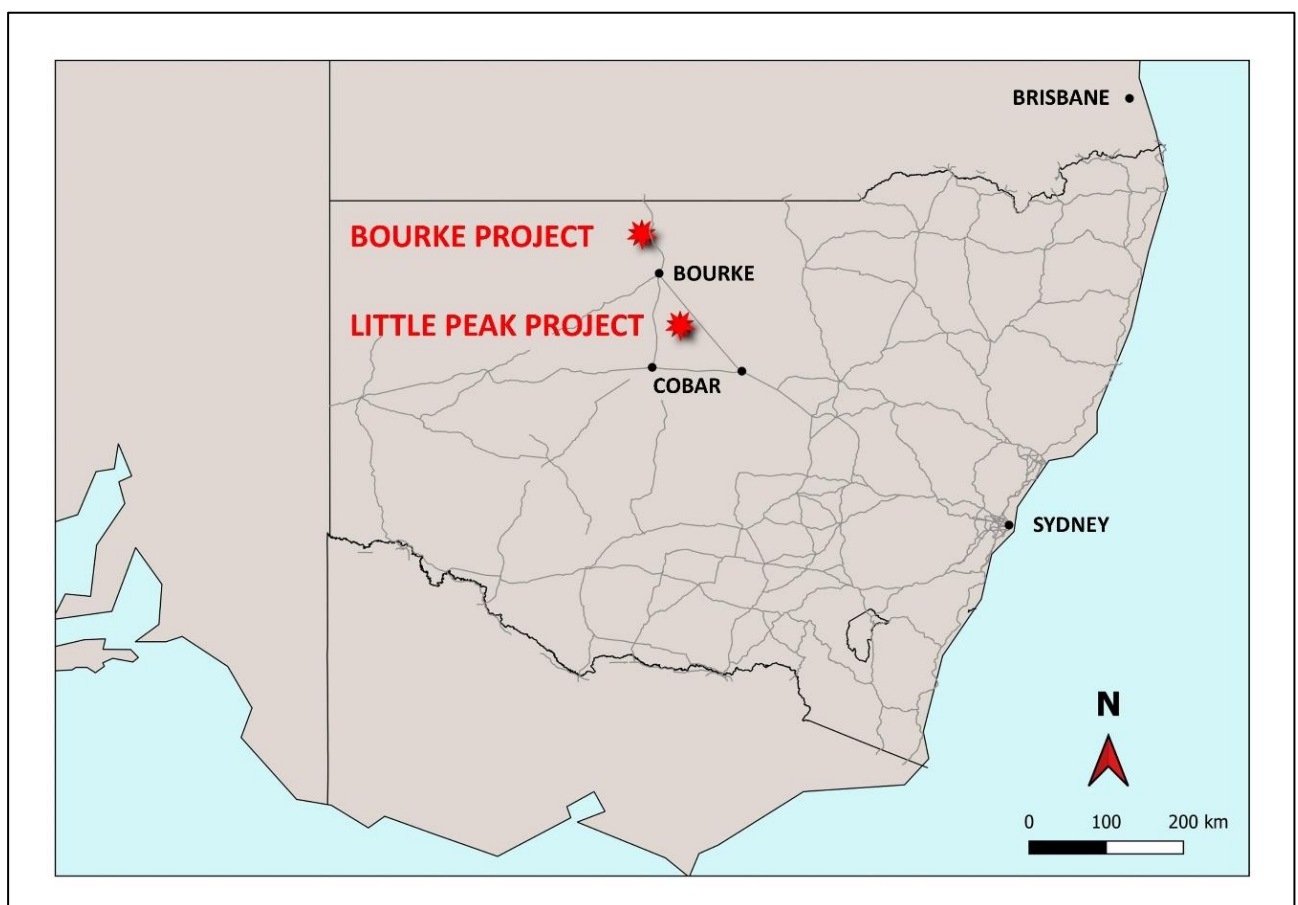


Figure 1: Location of the Bourke and Little Peak Projects in New South Wales.

## Tenure

Nimrod exploration ground is shown in Figure 2 and in Table 1.

The exploration ground north of Bourke has been rationalised during the last 12 months to ensure Nimrod remains focussed on the most prospective portion of the project which is centred around EL8957. This effectively means that those areas characterised by deep cover sequences are being progressively relinquished.



## Review of Operations

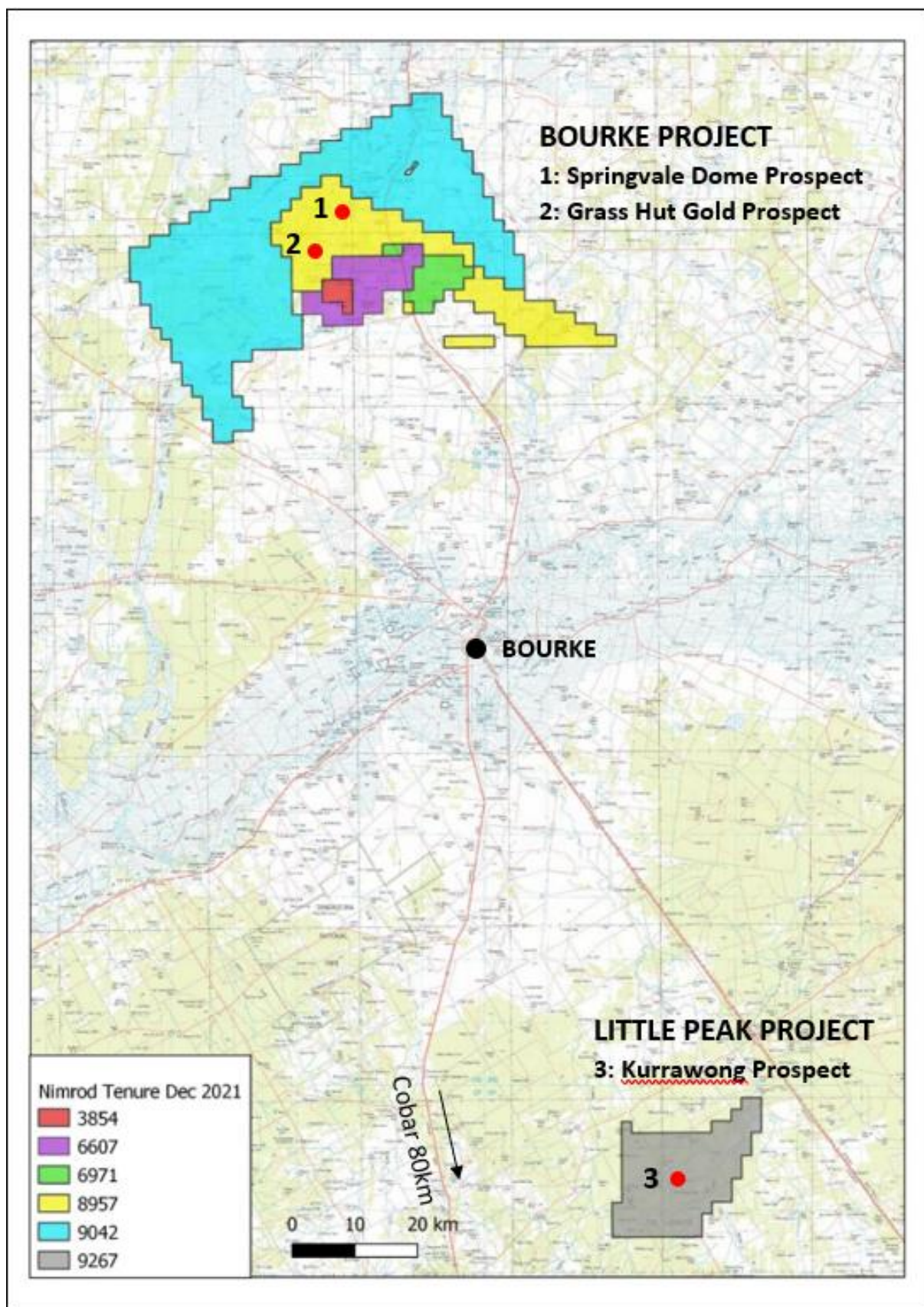


Figure 2: Map of Nimrod Exploration Licences (ELs) and key prospects.

## Review of Operations

Title No.	Project	Grant Date	Expiry Date	Area km <sup>2</sup>	Comments
3854	Bourke	21/05/1991	21/05/2024	7	
6607	Bourke	2/08/2006	02/08/2023	41	
6971	Bourke	11/12/2007	11/12/2022	23	
8957	Bourke	31/03/2020	31/03/2023	139	
9042	Bourke	11/02/2021	11/02/2023	377	
9267 ELA6520*	Little Peak Girilambone	20/08/2021	20/08/2025	111 439	Application date 04/08/2022

**Table 1: Nimrod Exploration Licence status. \*ELA6520 was applied for after 30 June 2022.**

## Geology and Exploration Rationale

### Bourke Project:

The Bourke Project is located in the Southern Thomson Orogen, a broadly east-west oriented terrane, straddling the NSW-QLD border (Figure 3a). The Thomson Orogen comprises Paleozoic and perhaps older rocks but little is known about its geology due to large areas being totally covered by younger Mesozoic sedimentary rocks of the Eromanga Basin. The Eromanga Basin is often referred to as the “Great Artesian Basin” and contains a major aquifer near its base, hosted by the Jurassic Hooray Sandstone. There are no outcrops of Paleozoic basement rocks within the Bourke Project.

The project area is dominated by a southwest - northeast oriented structural fabric. This includes two major fault zones (FZ), the Culgoa FZ and the Yalambie FZ. These major northeast trending faults, and in particular the Yalambie FZ, represent a segment of the continental-scale Darling River Lineament. The giant Broken Hill silver-lead-zinc deposits lie within the Darling River Lineament (further to the southwest), which represents a complex, multi-stage composite structural zone.

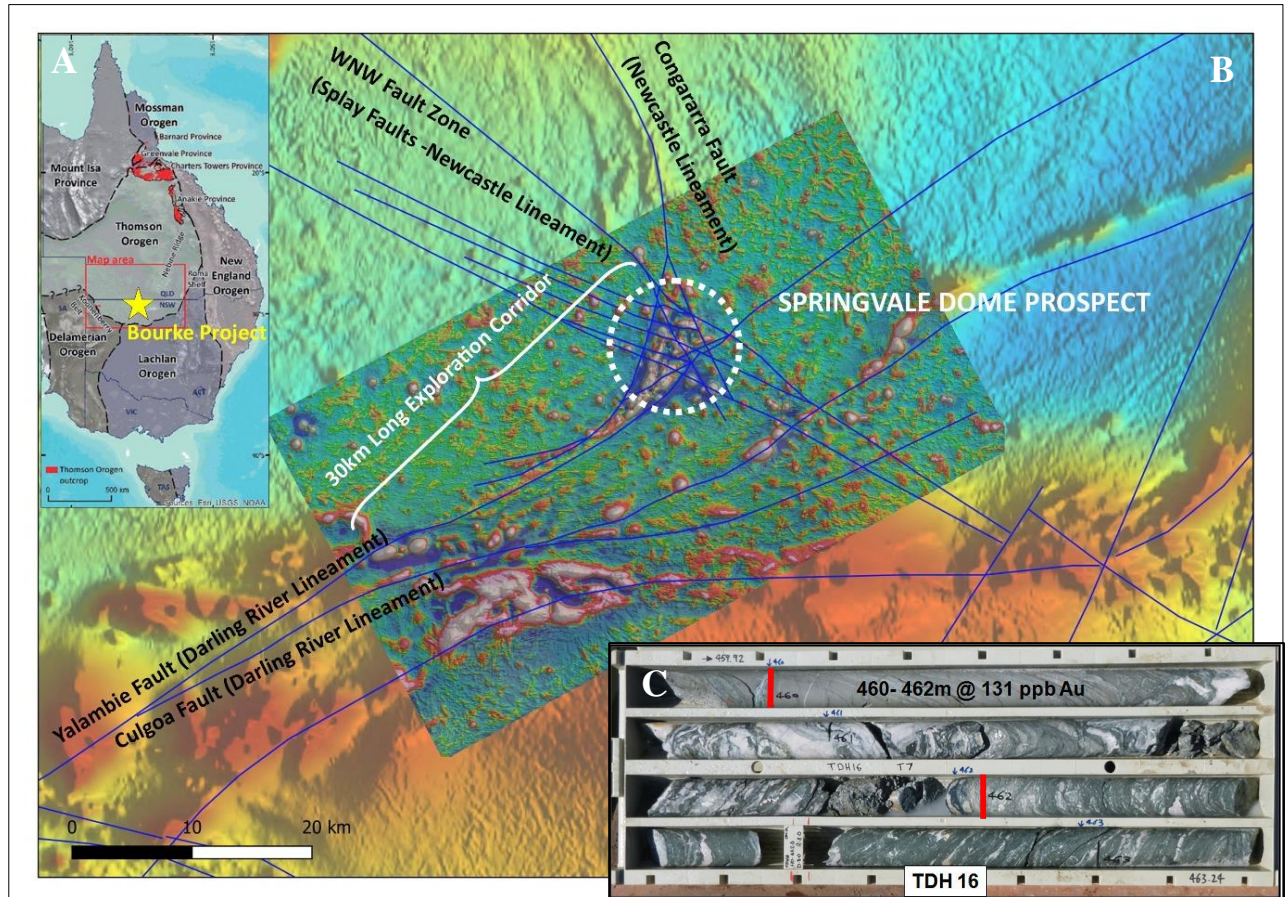
Another important structural fabric is a northwest to west-northwest trend, which represents part of the continental-scale Newcastle Lineament zone and locally manifests as the Congararra FZ within the project area.

The intersection of these crustal scale faults coincides with Nimrod’s Springvale Dome Prospect (SDP; Figure 3b) which lies within the central portion of the Bourke Project. Nimrod remains focussed on the SDP and broader exploration corridor, based on the recognition that these crustal scale faults can form the primary structural roots in orogenic gold systems. This notion is supported by narrow auriferous quartz-carbonate veins in sheared basalts intersected by Nimrod in historic drilling, 12km south of the SDP (Figure 3c).



## Review of Operations

Importantly, this structurally complex domain coincides with an area of uplifted basement, where Nimrod aeromagnetic and ground gravity data has demonstrated the depth to basement covering the SDP and broader 30km long exploration corridor is <100m. This relatively shallow cover lends itself to conventional exploration such as soil sampling, electrical geophysics and percussion drilling.



**Figure 3: A) Bourke Project located in Southern Thomson Orogen. B) Springvale Dome Prospect is positioned at the intersection of the Yalambie and Congararra FZs and forms part of the 30km long exploration corridor. Image: Regional TMI in background with Nimrod aeromagnetic RTP 0.5VD image. C) Nimrod drillhole TDH16 intersected 2m @ 0.13ppm Au from 460m in quartz carbonate veining hosted in sheared basalts. This intersection lies 12km south of the Springvale Dome Prospect and supports the notion that the area is prospective for orogenic gold mineralisation.**

### Little Peak Project

The Little Peak Project is located in the Paleozoic Lachlan Orogen and is largely concealed by shallow Quaternary cover (<50m thick) with basement locally exposed at surface as narrow north-south striking, quartzite ridges (Figure 4). Significantly, the project is transected by a series of north-west trending structures which trend parallel to the so-called Byrock Lineament. These structures are spatially associated with several discrete magnetic anomalies, with a similar orientation. One of these anomalies, referred to as the Kurrawong Prospect, was tested by two shallow percussion holes



## Review of Operations

in the 1980s. This drilling indicated that the source of the magnetic anomaly was a concealed ultramafic intrusion but more significantly intersected a zone of disseminated copper sulphides hosted by adjacent meta-sediments that were never assayed. Further exploration across this target and broader structural corridor is warranted.

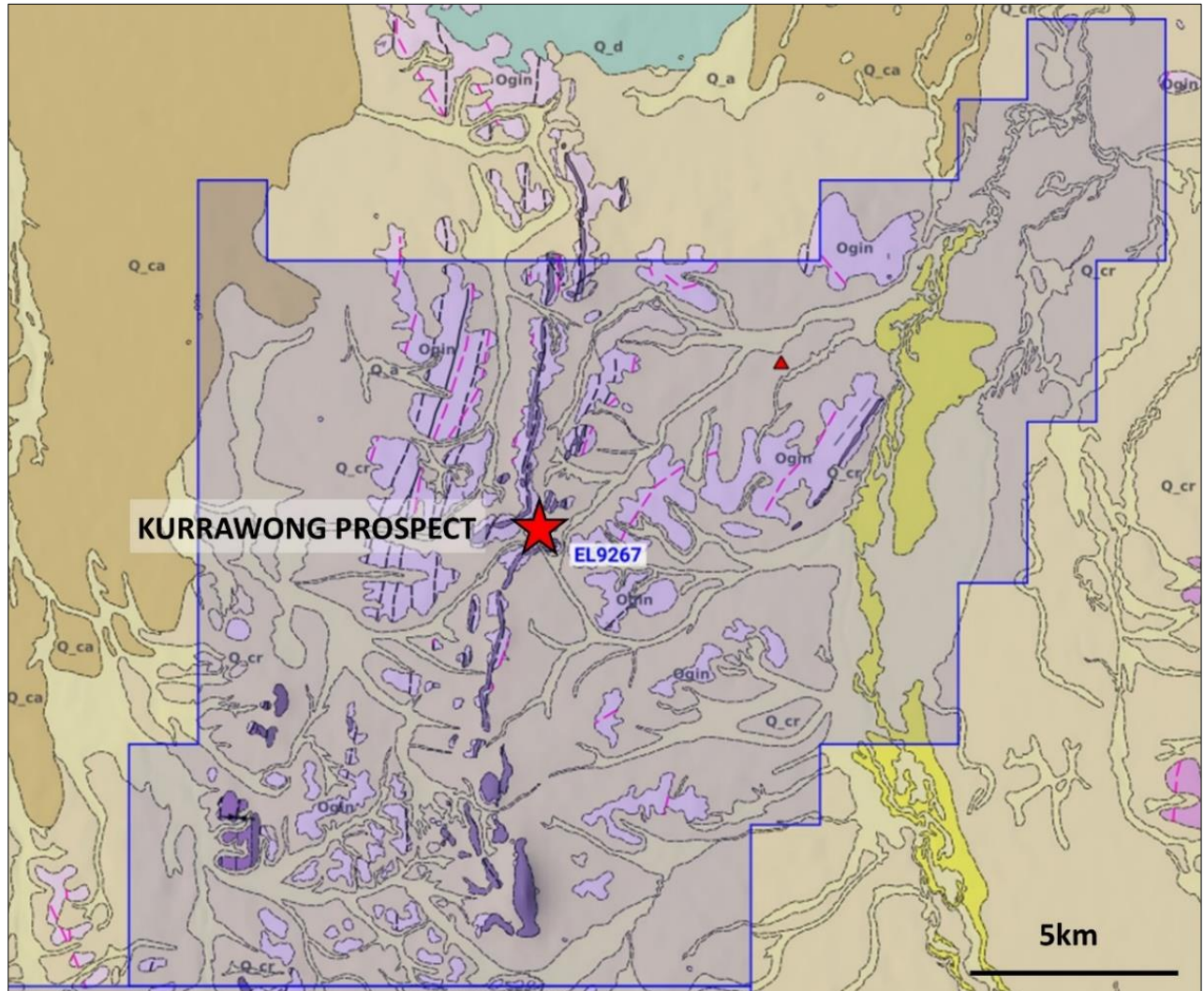


Figure 4: NSW surface geology map covering the Little Peak Project (EL 9267). The majority of the EL is covered by Quaternary sediments with basement outcrop preserved dominantly as the mapped linear purple Quartzite rock units.

# Review of Operations

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## Exploration Summary

### Bourke Project

In late 2021, a regional aircore program was drilled across the exploration corridor, comprising 71 holes for 4,442m. This drilling targeted the following areas:

- Springvale Dome Prospect (SDP) and associated structural intersections and magnetic anomalies for gold and base-metals.
- Bellenbar FZ gold in soil geochemical anomaly and associated structural intersections/ magnetic anomalies.
- Broad areas of magnetic stratigraphy to understand depth to basement and rock type variation.

The program successfully penetrated the Eromanga Basin cover sequences and into weathered quartz-biotite-sillimanite +/- pyrite meta-sedimentary package with alkalic mafic intrusions intersected in areas where bullseye magnetic anomalies were targeted.

Assay results indicate two key target areas for follow up termed the SDP and the Grass Hut Prospect. A circa 4,000m AC/ RC program has been designed to test these prospects and a drill contractor secured, however, due to heavy rainfall, regional flooding and restricted access, the drill program has been delayed.

It is also important to note that Nimrod applied for and was awarded the NSW New Frontiers Cooperative Drill Grant. Under this grant, 50% of drill related costs up to an amount of \$200,000 are covered and is awarded to explorers *who “demonstrate strong prospectivity, sound financial planning and a proven technical basis”*.

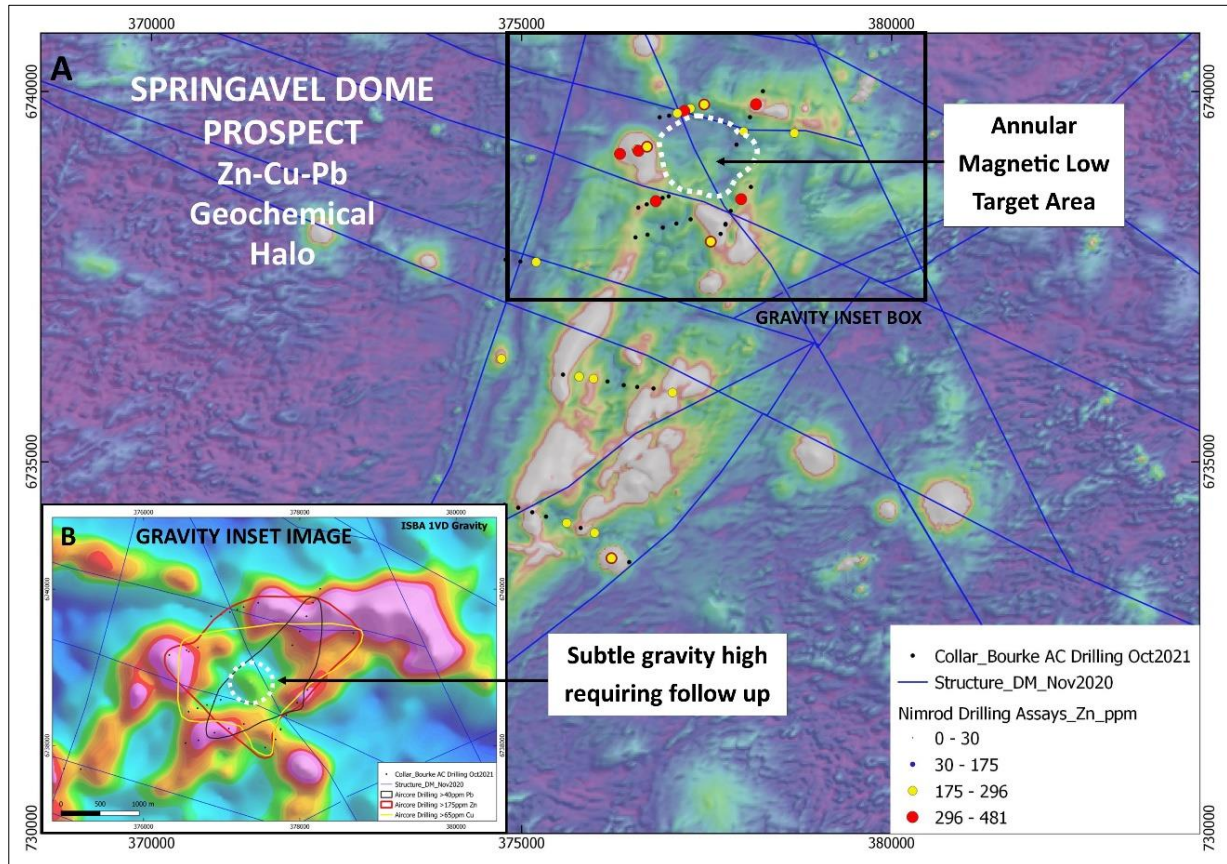
### Springvale Dome Prospect (SDP):

This area was originally targeted for Orogenic Gold mineralisation and formed the focus of the 2021 drill campaign. Although elevated gold was not intersected in drilling, an annular, zinc-dominant geochemical anomaly covering a large 1500m x 1500m area (Figure 5a) has been identified. The zinc in drilling is a 3-5x background anomaly, with the best intercept acquired in BAC030 (5m @ 481ppm Zn from 36m in basement) and is supported by weakly elevated copper (>65ppm) and lead (>40ppm). It is plausible that the zinc > copper > lead geochemical anomaly is forming a distal alteration halo to a central blind copper-gold deposit. Interestingly, both magnetic and gravity data also show an apparent annular geometry. Consistent with this hypothesis, a subtle ground-gravity



## Review of Operations

density anomaly located in the centre of this geochemical halo, presents as an obvious follow up drill target (Figure 5b).



**Figure 5 A) 3-5x background zinc anomaly in aircore drilling detected in northern exploration corridor, covering the Springvale Dome Prospect. Image: 1VD Magnetics. B) Ground gravity image covering the Springvale Dome Prospect, showing annular Zn-Cu-Pb in drill anomalism positioned around a subtle gravity high.**

### Grass Hut Prospect:

The 2021 era aircore drill program has defined a 1500m long gold in basement target, as intersected in two broad drill traverses. In the southern drill traverse aircore hole BAC021 intersected 6m @ 37ppb Au from 60m (37x background) in gneissic basement and in the northern drill traverse aircore hole BAC018 intersected 6m @ 62ppb Au from 34m (62x background) in a weathered dolerite intrusion (Figures 6 and 7).

In the context that a) Orogenic Gold deposits have limited dispersion, b) these orebodies are typically tabular and will only be a few tens of metres wide at the most, and c) BAC018 and BAC021 are drilled on traverses spaced 1500m apart and with holes on each traverse spaced 100-200m apart,

## Review of Operations

then as a first pass geochemical reconnaissance drill program, an intersection of 6m @ 62 ppb Au is considered strongly anomalous or 62x background.

These encouraging empirical results are also supported by a coincident favourable structural setting, being spatially associated with an interpreted trans-lithospheric structure, the Bellenbar Fault Zone, and perhaps even more importantly, along a section of this fault where it has a major strike change or flexure; a very characteristic setting for gold deposits.

Given the broad nature of the gold defined in drilling, an infill Ultrafine™ soil sample program was implemented to provide a detailed 100m x 100m soil sample coverage over the target area. This program has identified multiple geochemical anomalies which may be mapping gold mineralisation in the basement (Figure 7) and will assist in drillhole targeting for the upcoming AC/ RC drillhole program.

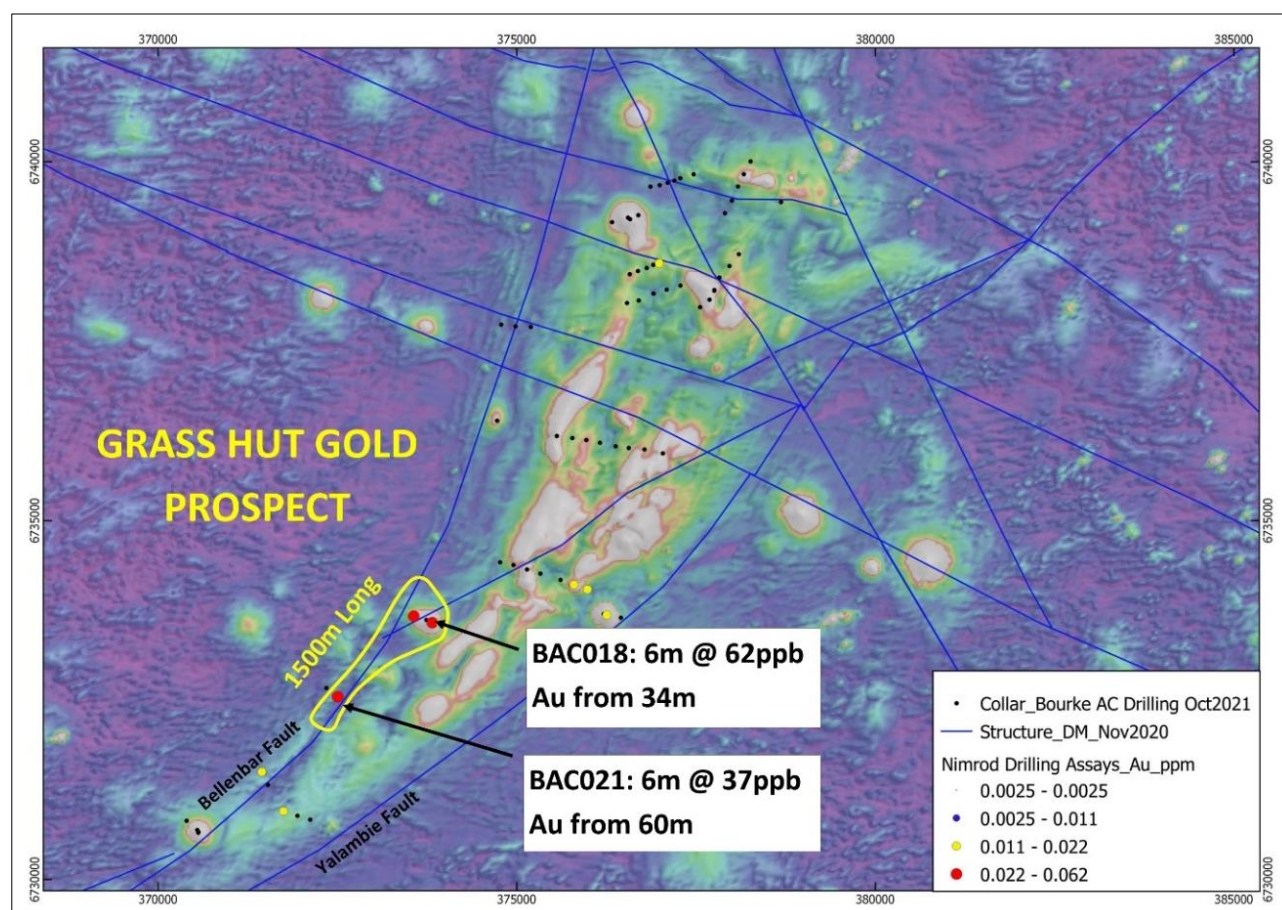
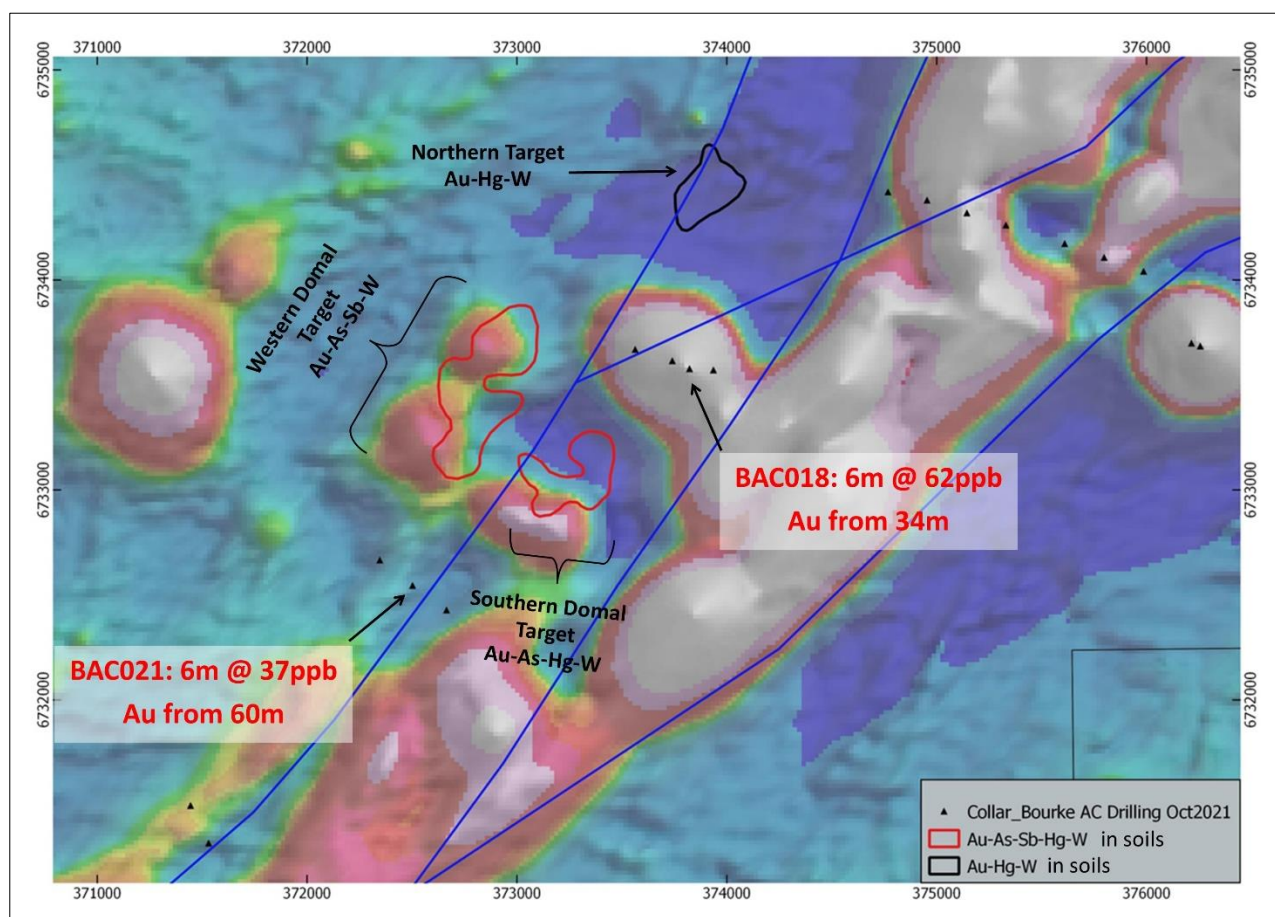


Figure 6: 2021 aircore drill program collars shown as black dots with respect to magnetics and interpreted structure. A dominant 1500m long gold in basement anomaly was detected along a flexure of the Bellenbar FZ, termed the Grass Hut Prospect. Note the wide spacing between aircore holes (1500m between lines, 100-200m along lines).



## Review of Operations



**Figure 7: Grass Hut Gold Prospect soil geochemical anomalies shown with respect to BAC018 and BAC021 drillholes. The multielement soil anomalies may be mapping gold mineralisation in basement and warrant drill follow up.**

### Little Peak Project:

- 95 x Ultrafine™ soil samples covering the Kurrawong Prospect.
- Fixed Loop Ground Electromagnetic survey covering the Kurrawong Prospect.
- Phase 1 drill hole planning.

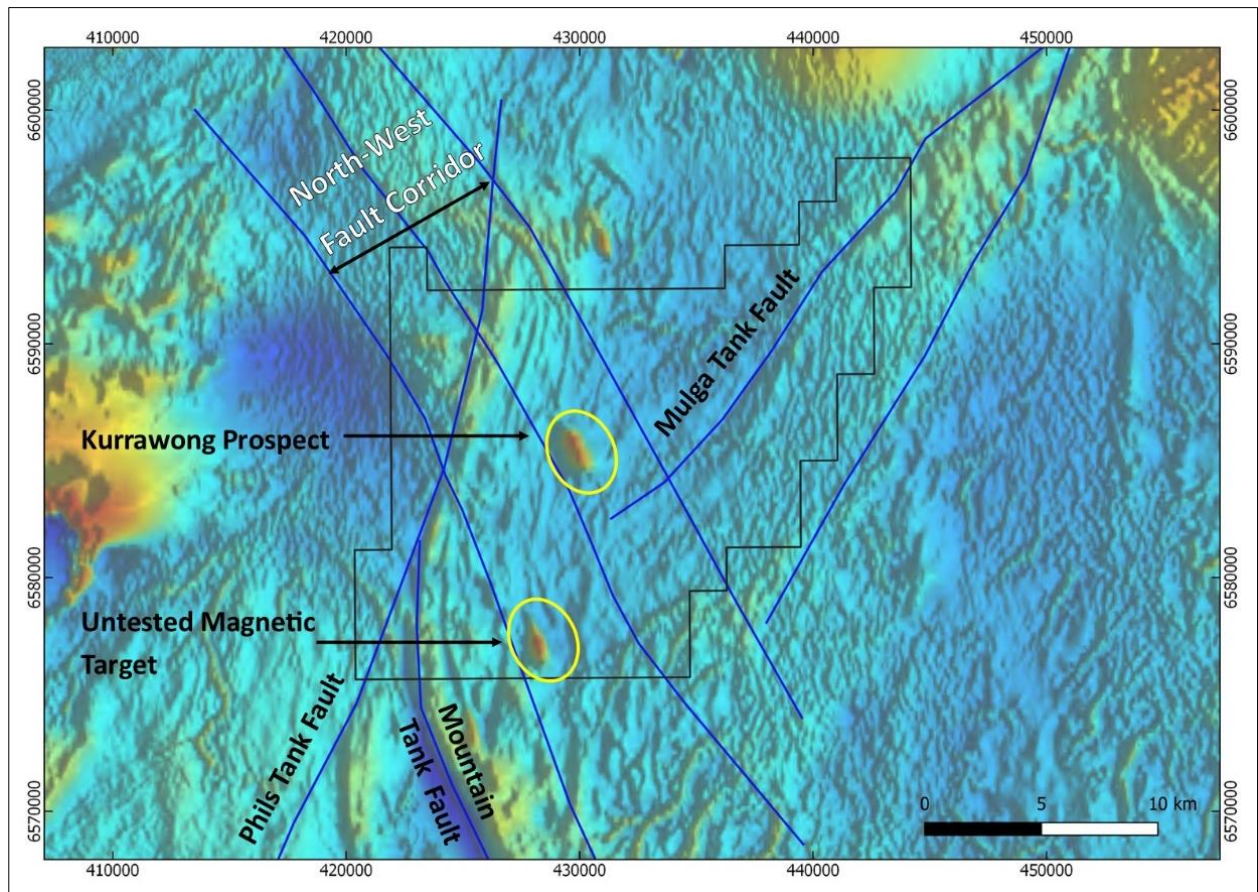
The project is positioned on the eastern margin of the Cobar Basin, a major metallogenic field characterised by world class Gold-Copper-Lead-Zinc-Silver deposits such as Aurelia Mineral's Peak Mine, Glencore's CSA Mine and Aeris Resource's Tritton Mine (Figure 9). The basement rock types over the project area are the same rocks as those hosting the Volcanic Massive Sulphide deposit at the Tritton Mine, 70km south-east.

One key prospect forms the focus of current activity and is termed the Kurrawong Prospect. The Kurrawong Prospect is a 1800m long, elongate magnetic anomaly located within a broad north-west trending structural corridor. This anomaly was targeted for tin mineralisation in the 1980s with two drillholes KP1 and KP2. KP2 intersected magnetic ultrabasic rocks (probably serpentinised

## Review of Operations

peridotites), while KP1 intersected weathered bedrock from 50.5m and biotite-quartz +/- sillimanite schist basement from 62m with abundant pyrite and disseminated chalcopyrite (a copper bearing mineral) reported between 62-70m. Importantly, assays were not taken of this copper interval, presumably because of the program's focus on discovering tin mineralisation.

Nimrod recently completed an Ultrafine™ soil sampling campaign across the target and identified a subtle nickel-copper anomaly. This was followed up with a fixed loop ground electromagnetic survey to test for a massive sulphide conductor, however, a conductor was not detected. Nevertheless, a drill program is warranted to test the contact of the Girilambone Group sediments (biotite-quartz +/- sillimanite schist) and the serpentinised peridotite for structurally controlled, disseminated copper mineralisation.



**Figure 8: Little Peak Project Exploration License shown with respect to interpreted structure. The Kurrawong Prospect lies within a north-west trending structural corridor and is being targeted for copper and other basemetals. Image: Regional TMI\_RTP.**



# Review of Operations

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## Work Program Logistics

Delays were experienced in implementing the planned 2022 AC/ RC drill program, primarily due to the extended La Nina rain event which has swept across eastern Australia. At the time of writing the Warrego River is flowing and has cut the main vehicular route to access the Grass Hut and Springvale Dome Prospects as shown in the image below.



**Figure 9: View west along the Multagoona Road showing the main access route to the Springvale Dome Prospect cut by the Warrego River. Photo taken 29 September 2022.**

# Review of Operations

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## Planned exploration in 2023

### Springvale Dome Prospect

RC holes are planned to test for a blind copper-gold mineralised positioned within the zinc- lead- copper geochemical halo identified in the 2021 era aircore drill program.

### Grass Hut Prospect:

A combination of AC and RC drilling is planned to test the 1500m long strike. Specifically, this program will seek to further test the gold anomalism in aircore holes BAC021 and BAC018 and target the various geochemical soil anomalies.

It is anticipated the combined AC and RC drill program at Grass Hut and Springvale Dome Prospects will amount to 4000m, subject to basement depths.

### Little Peak Project

RC holes targeting the Kurrawong Prospect for structurally controlled copper mineralisation.

### Girilambone Project

A large exploration licence application, ELA6520, was applied for on 04 August, 2022. This ELA is positioned north of the Little Peak Project and is considered prospective for Cobar style gold-copper-lead-zinc mineralisation. This project strengthens our foothold in the Lachlan Orogen and is proximal to major active mining centres as shown in Figure 10. The ELA overlaps with numerous base-metal occurrences and a review of historical exploration is currently underway. Once priority targets have been identified, a field reconnaissance trip will be implemented to assess the mineral potential of the EL.



## Review of Operations

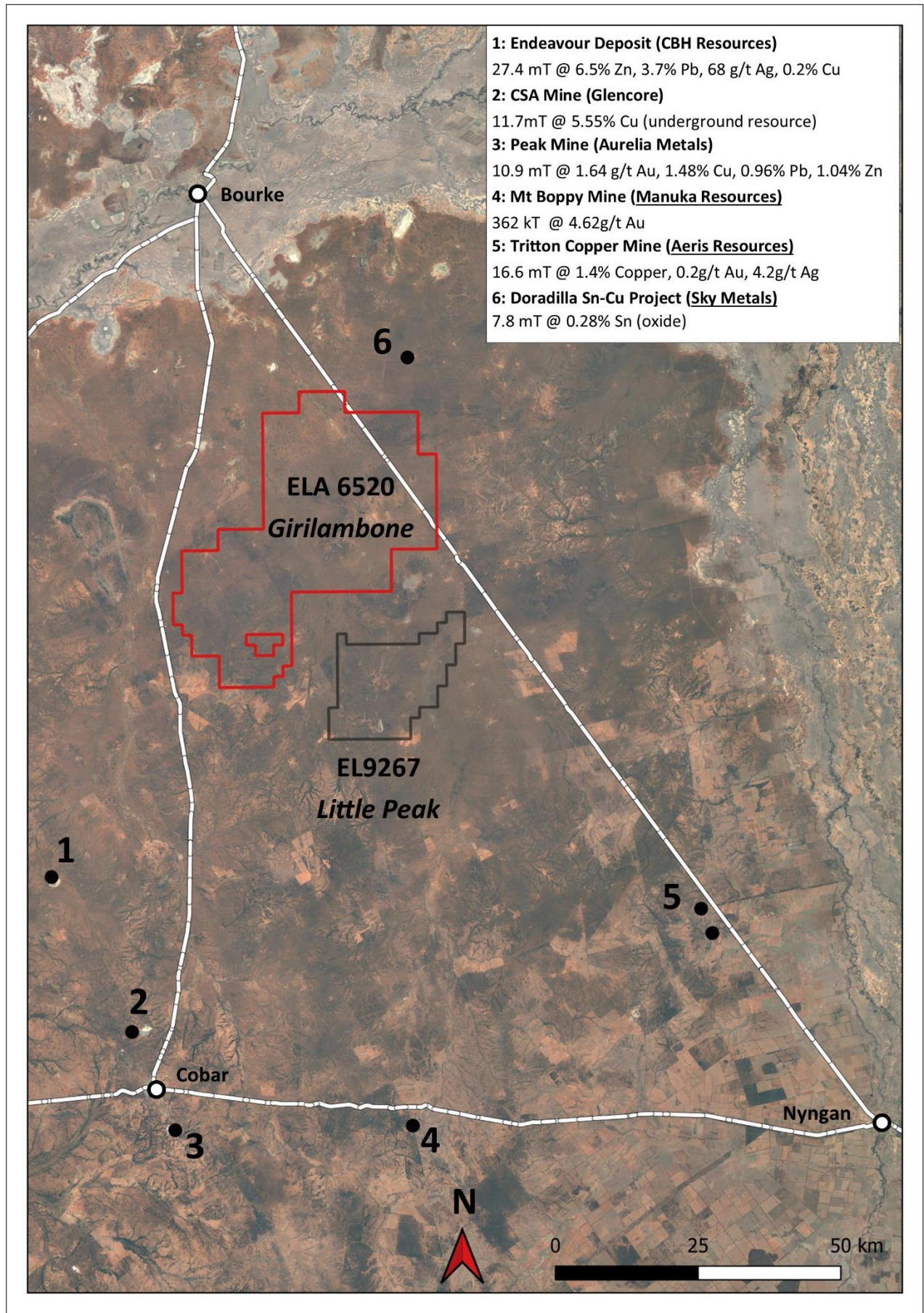


Figure 10: Showing the location of Nimrod's Little Peak Project EL9267 and the new Girilambone Project ELA6520 (in application) with respect to major mining centres and/ or mineral deposits.

# **Nimrod Resources Limited**

## **Financial Statements**

**For the Year Ended 30 June 2022**



**Nimrod Resources Limited****Contents****For the Year Ended 30 June 2022**

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## Nimrod Resources Limited

### Directors' Report

30 June 2022

The directors present their report on Nimrod Resources Limited for the financial year ended 30 June 2022.

#### 1. General information

##### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

##### **Bruce McIver AM**

Qualifications

Experience

##### **Chairman**

FAICD (Dip.)

Bruce is a Non-Executive Director of The City of Brisbane Investment Corporation (CBIC) and Palmer Leisure Australia Pty Ltd. He is also Chairman of Sozo Resources Pty Ltd, Hunt Resources Pty Ltd and the McIver Group of Companies. Previously Bruce has served on a number of Boards specialising in Bulk Shipping, Mining Logistics, Oil & Gas Logistics, Property and with Australia Post. He also held positions in Australian Politics. Bruce has been a Fellow of the Australian Institute of Company Directors (AICD) since 2004.

Interest in shares and share rights 1,600,000 shares held and 1,786,000 share rights held

##### **Peter Jans**

Qualifications

Experience

##### **Non-Executive Director**

LLB (Hons), Grad. Dip (Ancient History), MA

Peter is a senior commercial, corporate and resources lawyer with direct ASX listed experience, including group general counsel and company secretary for ERM Power Limited (ASX: EPW), Queensland Gas Company Limited (ASX:QGC) and CS Energy Limited (QLD: GOC). Peter has extensive experience in capital markets, including IPOs, mergers, acquisitions, equity and funding raisings, corporate governance and structuring, as well as regulatory dealings (ASX, ASIC and ACCC). He has been a Director of a number of listed and unlisted companies.

Interest in shares and share rights 892,000 share rights held

##### **Terry O'Reilly**

Qualifications

Experience

##### **Non-Executive Director**

B.Com, MBA, M.AppFin, FAICD, CPA

Terry has extensive commercial experience in both Australia and Asia. With Rio Tinto he had MD roles at Pacific Coal and Coal and Allied. He has been a director of a number of listed and unlisted companies including MacArthur Coal and is currently Chair of Batchfire Resources Pty Ltd

Interest in shares and share rights 892,000 share rights held

##### **David Hutton**

Qualifications

Experience

##### **Non-Executive Director**

BSc (Hons), Fellow AusIMM, Member AIG

David has over 30 years mining industry experience having worked in a range of operational and corporate roles with the MIM Group, Forresteria Gold, Western Metals, LionOre Australia, Breakaway Resources and Mithril Resources, both locally and overseas. David has extensive mineral exploration experience across a number of commodities including gold, copper, nickel, silver, lead and zinc. David is the Managing Director and Chief Executive Officer of Rimfire Pacific Mining Limited (ASX: RIM), Owner/Principal Consultant of Terrace Minerals Pty Ltd, a private consultancy firm, and a Non-Executive Director of Sozo Resources Pty Ltd, a private mineral exploration company.

Interest in shares and share rights 186,000 share rights held

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.



## Nimrod Resources Limited

# Directors' Report

30 June 2022

### 1. General information

#### Principal activities

The principal activity of Nimrod Resources Limited during the financial year was the exploration of mineral opportunities in the Bourke area (New South Wales, Australia).

No significant changes in the nature of the Company's activity occurred during the financial year.

### 2. Operating results and review of operations for the year

#### Operating results

The loss of the Company after providing for income tax amounted to (\$ 3,178,224) (2021: Loss \$ 1,060,290).

#### Review of operations

During the 2022 financial year the Company continued exploration at its Bourke tenements including aeromagnetic and ground gravity surveying, Ultrafine™ soil sampling, and the drilling of 71 aircore holes (4,442 metres). Exploration identified several high-priority targets which will be followed-up during the 2023 financial year. Exploration also commenced on a new tenement "Little Peak" which is located 90km south-east of Bourke, NSW which is prospective for nickel-copper sulphides.

In June 2022 the Company completed the raising of new equity in the form of a 3 for 5 pro rata non-renounceable issue of ordinary shares, raising approximately \$1.1 million before transaction costs, to accelerate exploration and appraisal activities.

During the financial year, the Company relinquished tenements which it assessed as having no further prospective interest (EL6607 - Partial, EL8186, EL8859 and EL8860). Exploration, evaluation and development expenditure of \$2,760,932 (2021: \$358,976), which had been accumulated in respect of relinquished tenements, was written off in full.

### 3. Other items

#### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

#### Matters or circumstances arising after the end of the year

Subsequent to the June 2022 capital raise, there has been widespread ongoing rainfall in Northern New South Wales, including the Bourke Project area, which has delayed originally planned exploration and appraisal activities. Whilst exploration activities have been rescheduled, site access remains subject to further weather impacts.

Other than as noted above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

#### Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

#### Environmental matters

The company is required to carry out its activities in accordance with regulations determined by statute and regional entities in the areas in which it undertakes exploration, development and production activities. The company is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

## Nimrod Resources Limited

### Directors' Report

30 June 2022

#### 3. Other items

##### Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

##### Company secretary

The following person held the position of Company Secretary at the end of the financial year:

Mark Day (BA/LLB) has been company secretary since 20th May 2019. Prior to joining the company Mark had over thirty years experience as a commercial lawyer in private practice and in-house roles, most recently as general counsel and company secretary for the ASX listed mineral processing equipment manufacturer, Ludowici Limited. Mark is a Fellow of the Governance Institute of Australia

##### Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Bruce McIver	12	12
Peter Jans	12	10
Terry O'Reilly	12	11
David Hutton	12	12

##### Share Rights

During the year the Company issued 3,198,000 share rights in relation to the year ended 30 June 2021 as follows: Bruce McIver (Chairman & Executive Director) 893,000, Peter Jans (Non-Executive Director) 446,000, Terry O'Reilly (Non-Executive Director) 446,000, David Hutton (Non-Executive Director) 186,000, Mark Day (Company Secretary) 446,000, Stephen Gaffney (Accountant) 446,000 and Damien Mizow (Exploration Manager) 335,000. At 30 June 2022, no share rights had been exercised.

No award of share rights has been made in relation to the year ended 30 June 2022 at this stage.

##### Indemnification and insurance of officers and auditors

The Company has indemnified the Directors for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith. No such indemnity has been provided for the auditors.

During the financial year, Nimrod Resources Limited paid a premium of \$12,174 (2021: \$8,800) to insure the directors and secretary of the Company.

##### Proceedings on behalf of company

The Company is the plaintiff in legal proceedings involving past supplies/services received. At the date of this report, the matter is not yet finalised. No claim exposure against Nimrod Resources Ltd currently exists.

Nimrod Resources Limited

## Directors' Report

30 June 2022

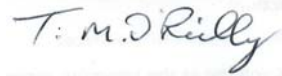
### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director: .....  
Bruce McIver AM



Director: .....  
Terry O'Reilly

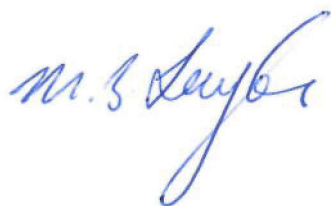
Dated this 26<sup>th</sup> day of October 2022



**Nimrod Resources Limited****Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Nimrod Resources Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

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



Mark Taylor  
Director  
HALL CHADWICK QLD

Dated at Brisbane this 26<sup>th</sup> day of October 2022

## Nimrod Resources Limited

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2022**

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Income	4	<b>56,350</b>	47,151
Gain on disposal of assets	4	<b>23,915</b>	1,461
Consulting and legal fees		<b>(44,025)</b>	(94,361)
Travel expenses		<b>(1,225)</b>	(5,022)
Rental expenses		<b>(3,569)</b>	(13,027)
Directors Fees		<b>(150,000)</b>	(147,244)
Depreciation and amortisation expense		<b>(47,068)</b>	(125,899)
Impairment losses on financial assets		<b>(2,760,932)</b>	(358,976)
Administrative expenses		<b>(139,730)</b>	(207,072)
Finance costs		<b>(10)</b>	(1,301)
Share rights expense		<b>(111,930)</b>	(156,000)
<b>Loss before income tax</b>		<b>(3,178,224)</b>	(1,060,290)
Income tax expense	5	-	-
<b>Loss for the year</b>		<b>(3,178,224)</b>	(1,060,290)
<b>Other comprehensive loss for the year, net of tax</b>		-	-
<b>Total comprehensive loss for the year</b>		<b>(3,178,224)</b>	<b>(1,060,290)</b>

The accompanying notes form part of these financial statements.

## Nimrod Resources Limited

## Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	1,208,911	968,546
Trade and other receivables	8	7,787	21,196
Other assets	9	13,418	15,077
TOTAL CURRENT ASSETS		<u>1,230,116</u>	<u>1,004,819</u>
NON-CURRENT ASSETS			
Trade and other receivables	8	124,000	166,000
Property, plant and equipment	10	34,039	154,378
Right-of-use assets	11	-	11,013
Exploration, evaluation and development assets	12	2,772,340	4,872,974
TOTAL NON-CURRENT ASSETS		<u>2,930,379</u>	<u>5,204,365</u>
TOTAL ASSETS		<u>4,160,495</u>	<u>6,209,184</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	13	62,856	68,470
Lease liabilities	11	-	11,190
Employee benefits	14	7,045	8,712
TOTAL CURRENT LIABILITIES		<u>69,901</u>	<u>88,372</u>
TOTAL LIABILITIES		<u>69,901</u>	<u>88,372</u>
NET ASSETS		<u>4,090,594</u>	<u>6,120,812</u>
<b>EQUITY</b>			
Issued capital	15	11,907,012	10,870,936
Reserves	16	267,930	156,000
Retained earnings		(8,084,348)	(4,906,124)
TOTAL EQUITY		<u>4,090,594</u>	<u>6,120,812</u>

The accompanying notes form part of these financial statements.



## Nimrod Resources Limited

## Statement of Changes in Equity

For the Year Ended 30 June 2022

	Ordinary Shares	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>10,870,936</b>	<b>(4,906,124)</b>	<b>156,000</b>	<b>6,120,812</b>
Loss for the year	-	(3,178,224)	-	(3,178,224)
Total other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners</b>				
Shares issued during the year	1,113,000	-	-	1,113,000
Transaction costs	(76,924)	-	-	(76,924)
Share rights issued during the year	-	-	111,930	111,930
<b>Balance at 30 June 2022</b>	<b>11,907,012</b>	<b>(8,084,348)</b>	<b>267,930</b>	<b>4,090,594</b>

	Ordinary Shares	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>10,547,536</b>	<b>(3,845,834)</b>	<b>-</b>	<b>6,701,702</b>
Loss for the year	-	(1,060,290)	-	(1,060,290)
Total other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners</b>				
Shares issued during the year	323,400	-	-	323,400
Share rights issued during the year	-	-	156,000	156,000
<b>Balance at 30 June 2021</b>	<b>10,870,936</b>	<b>(4,906,124)</b>	<b>156,000</b>	<b>6,120,812</b>

The accompanying notes form part of these financial statements.

## Nimrod Resources Limited

# Statement of Cash Flows

## For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Grants and other income		56,252	-
Receipts from Government Covid-19 support		-	30,121
Payments to suppliers		(415,725)	(887,253)
Interest received		98	17,030
Interest paid		(10)	(986)
GST Recovered		62,498	92,634
Net cash provided by/(used in) operating activities	17	(296,887)	(748,454)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		108,200	4,750
Purchase of property, plant and equipment		-	(4,500)
Payment for exploration and evaluation		(660,299)	(797,788)
Payments for security deposits		(21,000)	(63,000)
Refund of security deposits		74,275	20,000
Net cash provided by/(used in) investing activities		(498,824)	(840,538)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of shares		1,113,000	315,000
Payment of transaction costs		(76,924)	-
Net cash provided by/(used in) financing activities		1,036,076	315,000
Net increase/(decrease) in cash and cash equivalents held		240,365	(1,273,992)
Cash and cash equivalents at beginning of year		968,546	2,242,538
Cash and cash equivalents at end of financial year	7	1,208,911	968,546

The accompanying notes form part of these financial statements.

## Nimrod Resources Limited

# Notes to the Financial Statements

For the Year Ended 30 June 2022

Nimrod Resources Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors on 28 October 2022.

## 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

## 2 Summary of Significant Accounting Policies

### (a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.



## Nimrod Resources Limited

# Notes to the Financial Statements

For the Year Ended 30 June 2022

## 2 Summary of Significant Accounting Policies

### (b) Revenue and other income

All revenue is stated net of the amount of goods and services tax (GST).

#### Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

#### Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

### (c) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### (e) Financial instruments

#### (i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Derecognition

##### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

## Nimrod Resources Limited

# Notes to the Financial Statements

For the Year Ended 30 June 2022

## 2 Summary of Significant Accounting Policies

### (e) Financial instruments

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

#### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

### (f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts and credit cards are shown as borrowings in current liabilities on the statement of financial position.

## Nimrod Resources Limited

# Notes to the Financial Statements

For the Year Ended 30 June 2022

## 2 Summary of Significant Accounting Policies

### (g) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement.

### (h) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### (i) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The mining extraction and processing activities of Nimrod Resources Limited normally give rise to obligations for site closure or rehabilitation.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense which is recognised in finance costs. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

Any changes in the estimates for the costs are accounted on a prospective basis in the statement of profit or loss and other comprehensive income. In determining the costs of site restoration, there is an uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.



## Nimrod Resources Limited

# Notes to the Financial Statements

For the Year Ended 30 June 2022

## 2 Summary of Significant Accounting Policies

### (j) Going concern

The financial statements have been prepared on a going concern basis which contemplates that the Company will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2022, the company reported a loss after tax for the year of (\$3,178,224) (2021: loss of \$1,060,290). In the same period, the company had operating cash outflows of \$296,887 (2021: operating cash outflows of \$748,454).

Because of the nature of its operations the Directors recognise that there is a need, on an ongoing basis, for the Company to regularly raise additional cash to fund future exploration activity and meet other necessary corporate expenditure. Accordingly, when necessary, the Company investigates various options for raising additional funds which may include, but is not limited to, an issue of shares or the sale of exploration assets where increased value has been created through previous exploration activity. Over the past 10 years, the company has had a number of successful capital raisings.

Accessing capital markets is always uncertain and this may give rise to a material uncertainty in regards to the ability to raise additional funds. After taking into account the various funding options available, the Directors have a reasonable expectation that the Company will be successful with future fund raising initiatives and, as a result, will have adequate resources to fund its future operational requirements. For these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

## 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

### Key judgments - capitalisation of exploration and evaluation expenditure

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure carried at the end of the reporting period is \$ 2,772,340 (2021: \$4,872,974).

## Nimrod Resources Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 4 Revenue and Other Income

	2022 \$	2021 \$
Finance income		
- Interest received	98	17,030
<b>Total interest income</b>	<b>98</b>	<b>17,030</b>
Other income		
- Government Covid-19 support package	-	30,121
- Government grant	56,025	-
- Other income	227	-
<b>Total other income</b>	<b>56,252</b>	<b>30,121</b>
<b>Total Income</b>	<b>56,350</b>	<b>47,151</b>

	2022 \$	2021 \$
Other Income		
- net gain on disposal of plant and equipment	23,915	1,461
<b>Total Other income</b>	<b>23,915</b>	<b>1,461</b>

#### 5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2022 \$	2021 \$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021: 26%)	(794,556)	(275,675)
Add:		
Tax effect of:		
- non-deductible depreciation and amortisation	11,767	32,734
- other non-allowable items	740,083	150,714
- Deferred tax asset not recognised	206,027	314,852
Less:	163,321	222,625
Tax effect of		
- deductible depreciation	(2,099)	(8,133)
- black hole expenses	(3,291)	(3,424)
- deductible exploration expenditure	(137,692)	(166,724)
- other allowable items	(20,239)	(44,344)
Income tax expense	-	-

## Nimrod Resources Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 6 Tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of losses because it cannot be determined that future taxable profit will be available against which Nimrod Resources Limited can utilise the benefits therein.

As of 30 June 2022, the company has unutilised cumulative deferred tax assets of \$1,439,095 (2021: \$1,282,522).

#### 7 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	1,208,911	968,546
	<u>1,208,911</u>	<u>968,546</u>

#### 8 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	-	5,729
Deposits	-	11,275
GST receivable	7,787	4,192
<b>Total current trade and other receivables</b>	<u>7,787</u>	<u>21,196</u>

	2022	2021
	\$	\$
NON-CURRENT		
Deposits	124,000	166,000
<b>Total non-current trade and other receivables</b>	<u>124,000</u>	<u>166,000</u>

#### 9 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	13,418	15,077



## Nimrod Resources Limited

# Notes to the Financial Statements

## For the Year Ended 30 June 2022

## 10 Property, plant and equipment

	2022 \$	2021 \$
Plant and equipment		
At cost	35,086	192,556
Accumulated depreciation	(24,020)	(83,000)
Total plant and equipment	11,066	109,556
Furniture, fixtures and fittings		
At cost	61,939	76,458
Accumulated depreciation	(45,055)	(40,816)
Total furniture, fixtures and fittings	16,884	35,642
Motor vehicles		
At cost	15,455	15,455
Accumulated depreciation	(9,366)	(6,275)
Total motor vehicles	6,089	9,180
<b>Total property, plant and equipment</b>	<b>34,039</b>	<b>154,378</b>

## (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Total \$
<b>Year ended 30 June 2022</b>				
Balance at the beginning of year	109,556	35,642	9,180	154,378
Disposals - written down value	(81,327)	(2,957)	-	(84,284)
Depreciation expense	(17,163)	(15,801)	(3,091)	(36,055)
<b>Balance at the end of the year</b>	<b>11,066</b>	<b>16,884</b>	<b>6,089</b>	<b>34,039</b>
<b>Year ended 30 June 2021</b>				
Balance at the beginning of year	152,359	51,257	12,271	215,887
Additions	-	4,500	-	4,500
Disposals	(3,289)	-	-	(3,289)
Depreciation expense	(39,514)	(20,115)	(3,091)	(62,720)
<b>Balance at the end of the year</b>	<b>109,556</b>	<b>35,642</b>	<b>9,180</b>	<b>154,378</b>

## Nimrod Resources Limited

# Notes to the Financial Statements

## For the Year Ended 30 June 2022

### 11 Leases

#### Right-of-use assets

	Buildings \$	Total \$
<b>Year ended 30 June 2022</b>		
Right-of-use assets at cost	11,013	11,013
Accumulated depreciation Right-of-use assets	(11,013)	(11,013)
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>

#### Lease liabilities

The company was party to one property lease in relation to its office.

The lease matured in September 2021 and was not renewed. The total discounted liability at 30 June 2022 is Nil (2021: \$11,190) Undiscounted liability Nil (2021: \$10,250)

### 12 Exploration, evaluation and development assets

	2022 \$	2021 \$
Exploration and evaluation	2,772,340	4,872,974

	Exploration & evaluation \$
<b>2022</b>	
Balance at beginning of the year	4,872,974
Expenditure incurred	660,298
Exploration asset write down	(2,760,932)
Balance at end of the year	2,772,340
<b>2021</b>	
Balance at beginning of the year	4,434,159
Expenditure incurred	797,791
Exploration asset write down	(358,976)
Balance at end of the year	4,872,974

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

The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

## Nimrod Resources Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2022

**12 Exploration, evaluation and development assets**

During the financial year, the company relinquished tenements which it assessed as having no further prospective interest (EL6607 - Partial, EL8186, EL8859 and EL8860). Exploration, evaluation and development expenditure of \$2,760,932 (2021: \$358,976) which had been accumulated in respect of relinquished tenements, was written off in full.

**13 Trade and Other Payables**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade payables	<b>30,156</b>	31,016
Sundry payables and accrued expenses	<b>23,657</b>	27,069
Other payables	<b>9,043</b>	10,385
	<b>62,856</b>	68,470

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**14 Employee Benefits**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Current liabilities		
Provision for employee benefits	<b>7,045</b>	8,712
	<b>7,045</b>	8,712

## Nimrod Resources Limited

# Notes to the Financial Statements

## For the Year Ended 30 June 2022

**15 Issued Capital**

	2022	2021
	\$	\$
187,808,811 (2021: 156,008,811) Ordinary shares	<b>11,907,012</b>	10,870,936

## (a) Ordinary shares

	2022	2021
	No.	No.
At the beginning of the reporting period	<b>156,008,811</b>	151,388,811
Shares issued during the year	<b>31,800,000</b>	4,620,000
At the end of the reporting period	<b>187,808,811</b>	156,008,811

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

As at 30 June 2022, the Company has 5,429,000 vested but unexercised Share Rights on issue pursuant to its Share Rights Plan. No awards have as yet been made for the 30 June 2022 financial year. For more details refer to Note 16.

**16 Reserves**

## (a) Share option reserve

This reserve records the cumulative value of director and employee service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

	2022	2021
	\$	\$
<b>Option reserve</b>		
Opening balance	<b>156,000</b>	-
Share rights issued during the year	<b>111,930</b>	156,000
<b>Total</b>	<b>267,930</b>	156,000



## Nimrod Resources Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 17 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss for the year	<b>(3,178,224)</b>	(1,060,290)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	<b>36,055</b>	62,718
- depreciation on ROU asset	<b>11,013</b>	63,181
- write-off of capitalised expenditure	<b>2,760,932</b>	358,976
- gain on disposal of fixed assets	<b>(23,915)</b>	(1,461)
- share rights expense	<b>111,930</b>	156,000
- rent transferred to lease payments	<b>(11,190)</b>	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>5,729</b>	(5,729)
- (increase)/decrease in prepayments	<b>1,659</b>	16,532
- increase/(decrease) in trade and other payables	<b>(5,615)</b>	(278,106)
- increase/(decrease) in lease liabilities	-	(63,827)
- increase/(decrease) in GST	<b>(3,594)</b>	(5,160)
- increase/(decrease) in employee benefits	<b>(1,667)</b>	8,712
Cashflows from operations	<b>(296,887)</b>	(748,454)

## Nimrod Resources Limited

# Notes to the Financial Statements

For the Year Ended 30 June 2022

### 18 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instrument and accounts receivable and payable.

The carrying amounts for each category of financial instruments, measure in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

#### Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

#### Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

	2022	2021
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	1,208,911	968,546
Trade and other receivables	131,787	187,197
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	(62,855)	(79,660)
<b>Total</b>	<b>1,277,843</b>	<b>1,076,083</b>

## Nimrod Resources Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2022

## 19 Key Management Personnel Remuneration

There was remuneration paid to the key management personnel of Nimrod Resources Limited during the year.

	2022	2021
	\$	\$
Directors fees	150,000	147,244
Share rights issued	68,985	124,800
<b>Total remuneration</b>	<b>218,985</b>	<b>272,044</b>

At year end, no share rights had been exercised.

## 20 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor, Hall Chadwick QLD, for:		
- auditing or reviewing the financial statements	25,750	13,750
- due diligence services	2,000	-
- taxation services provided by related practice or auditor	3,000	2,220
<b>Total</b>	<b>30,750</b>	<b>15,970</b>

## 21 Related Parties

(a) The Company's main related parties are as follows:

(i) Key management personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 19: Key Management Personnel Remuneration.

Other transactions with KMP and their related parties are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

## Nimrod Resources Limited

### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 21 Related Parties

##### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No transactions occurred with related parties in the year ended 30 June 2022.

##### (c) Loans from related parties

There are no loans from KMP as of 30 June 2022 (2021: Nil).

#### 22 Events Occurring After the Reporting Date

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

#### 23 Statutory Information

The registered office of the company is:

Nimrod Resources Limited  
Level 4, 240 Queen Street  
BRISBANE QLD 4000

The principal place of business is:

Unit 44, Kings Row Building 1 at Level 2  
52 McDougall Street  
MILTON QLD 4064



## Nimrod Resources Limited

### Directors' Declaration

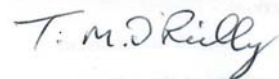
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.
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.

This declaration is made in accordance with a resolution of the Board of Directors.



Director .....  
Bruce McIver AM



Director .....  
Terry O'Reilly

Dated this 26<sup>th</sup> day of October 2022

**Nimrod Resources Limited****Independent Audit Report to the members of Nimrod Resources Limited****Opinion**

We have audited the financial report of Nimrod Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 Company 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.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2(j) in the financial report which indicates that the Company reported a loss after tax for the year ended 30 June 2022 of (\$3,178,224) (2021: loss of \$1,060,290) and in the same period had operating cash outflows of \$296,887 (2021: operating cash outflows of \$748,454). Note 2(j) also indicates that there may be a material uncertainty in regards to the ability of the company to raise additional funds.

As stated in Note 2(j), these events or conditions, along with other matters as set forth in Note 2(j), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Responsibilities of 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 - Reduced Disclosure Requirements 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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 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 the financial report.

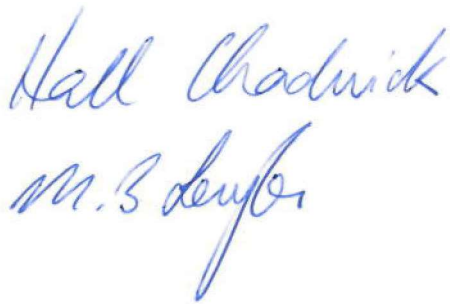
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company'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 Company'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 Company to cease to continue as a going concern.
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- 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.

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.



Mark Taylor  
Director  
HALL CHADWICK QLD

Dated at Brisbane this 26<sup>th</sup> day of October 2022

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## Warrego River in Flood near the Springvale Dome Prospect

