



ABN 44 079 902 499

## **CONSOLIDATED FINANCIAL REPORT**

**FOR THE YEAR ENDED  
30 JUNE 2023**

# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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### COMPANY INFORMATION

#### Directors

Mr.T.Streeter	Non-Executive Director (Resigned Chairman 9/6/2023, Reappointed Chairman 24/7/2023, Deceased 15/7/2024)
Mr Roy Younge	Non-Executive Director (Appointed 24/7/2023)
Mr. B Garlick	Executive Director (Resigned 9/6/2023, Reappointed 24/7/2023, Appointed Chairman 18/7/2024, resigned Chairman 12/09/2024)
Mr.G.Rutherford	Non-Executive Director (Appointed 18/7/2024, resigned 9/09/2024)
Ms C da Silva	Non-Executive Director (Appointed 14/2/2022, Resigned 9/6/2023, Appointed Chairperson Non-Executive Director 12/09/2024)
Mr. S Formica	Non-Executive Director (Appointed 9/6/2023, Resigned 24/7/2023)
Mr. E King	Non-Executive Director (Appointed 9/6/2023, Resigned 24/7/2023)
Mr. D Wheeler	Non-Executive Chairman/Director (Appointed 6/3/2023, Appointed Chairman 9/6/2023, Resigned 24/7/2023)
Mr David Streeter	Non-Executive Director (Appointed 12/09/2024)

#### Chief Executive Officer

Bruce Garlick appointed 24/7/2023  
D.Wheeler resigned 24/7/2023

#### Company Secretary

B Garlick

#### Bankers

Commonwealth Bank  
95 William Street  
Perth  
Western Australia 6000

#### Registered Office

10 Abbotsford Street  
West Leederville  
Western Australia 6007  
Telephone: +61 (0) 8 9318 5600  
Facsimile: +61 (0) 8 9238 1380  
ABN: 44 079 902 499

#### Auditors

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

#### Share Registry

Automic Group  
Level 5, 191 St Georges Tce  
Perth  
Western Australia 6000

#### Lawyers

Gilbert & Tobin  
Level 16, Brookfield Place  
Tower 2  
Perth  
Western Australia 6000

#### Website Address

[www.foxresources.com.au](http://www.foxresources.com.au)

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# **Consolidated Financial Report**

## **for the Financial Year ended 30 June 2023**

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# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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## DIRECTORS' REPORT

The Directors of Fox Resources Ltd ("the Company" or "Fox") present their report together with the financial statements of the consolidated entity, being Fox Resources Pty Ltd ("the Company") and its Controlled Entities ("the Group") for the year ended 30 June 2023.

### DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr.T.Streeter	Non-Executive Director (Resigned Chairman 9/6/2023, Reappointed Chairman 24/7/2023, Deceased 15/7/2024)
Mr Roy Young	Non-Executive Director (Appointed 24/7/2023)
Mr. B Garlick	Executive Director (Resigned 9/6/2023, Reappointed 24/7/2023, Appointed Chairman 18/7/2024, resigned Chairman 12/09/2024)
Mr.G.Rutherford	Non-Executive Director (Appointed 18/7/2024, resigned 9/09/2024)
Ms C da Silva	Non-Executive Director (Appointed 14/2/2022, Resigned 9/6/2023, Appointed Chairperson Non-Executive Director 12/09/2024)
Mr. S Formica	Non-Executive Director (Appointed 9/6/2023, Resigned 24/7/2023)
Mr. E King	Non-Executive Director (Appointed 9/6/2023, Resigned 24/7/2023)
Mr. D Wheeler	Non-Executive Chairman/Director (Appointed 6/3/2023, Appointed Chairman 9/6/2023, Resigned 24/7/2023)
Mr David Streeter	Non-Executive Director (Appointed 12/09/2024)

### PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year ended 30 June 2023 was the exploration for coking coal.

### FINANCIAL RESULTS

The loss of the consolidated entity after providing for income tax amounted to \$624,834 (2022: loss of \$494,654).

### DIVIDENDS

No dividends were declared for the 2023 financial year (2022: nil).

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than disclosed elsewhere in the financial report, there were no significant changes in the state of affairs during the period under review.

### OPERATIONS REVIEW

#### Exploration

Exploration activities are focused on increasing the current JORC Indicated and Inferred resources and tenement maintenance.

### FINANCIAL REVIEW

The Group intends to develop all of its remaining exploration and tangible assets in the 30 June 2023 financial year. The net deficit position as at 30 June 2023 of \$6,164,057. continues to be financially supported by the Directors for twelve months from the date of signing this report.



# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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### Significant Events after the Balance Date

The Queensland Minister of Infrastructure has made a Preliminary Decision not to approve the MDLA 3040 Application stating that the application is not in the public interest. Fox Resources will respond by the 15 November 2024 objecting to this decision. A final decision will then be made by the Minister of Resources. The Chairman Terry Streeter passed away on the 15<sup>th</sup> July 2024, he will be sadly missed. Mr. B. Garlick was elected as Chairman 18 July 2024, resigned as Chairman 12 September 2024, Mr. G. Rutherford was elected to the Board on the 18<sup>th</sup> July 2024, resigned 9 September 2024, Carla da Silva was elected to the Board, and Chairperson on 12 September 2024, Mr. David Streeter was elected to the Board on the 12 September 2024.

On 6<sup>th</sup> August 2024, Zimprops Coal Pty Ltd (Zimprops) transferred \$15,000 as an advance to assist with the cash flow. In June 2024, Zimprops advanced \$100,000 as an advance to assist with the cash flow.

On the 2<sup>nd</sup> May 2024 Mr. Alan Greenwell and Mrs. Margaret Greenwell as Trustees for the Greenwell Super Fund entered into a Convertible Note for \$50,000 at 8% interest repayable on the 1<sup>st</sup> May 2025 with Fox Coal Pty Ltd.

The Company has repaid the full amount owing \$250,000 advanced by the stockbroker, in March 2024 including interest of \$10,000. On 24 October 2022 the Company signed a mandate with a stockbroking company to provide pre initial public offering (IPO) capital for the proposed re-listing of the Company on the Australia Stock Exchange (ASX). Due to current adverse market and IPO sentiment, this was cancelled in July 2024. Fox is considering relisting the company.

On the 17<sup>th</sup> April 2024 Carla da Silva loaned Fox \$80,000 for 12 months at 8%.

On the 11<sup>th</sup> March 2024 Zimprops agreed to enter into a Convertible loan with Fox Coal Pty Ltd for \$100,000 repayable in 12 months at 5% interest.

The Mineral Development Licence Application 3040 has been resubmitted to the Department of Resources for approval, on the 22<sup>nd</sup> January 2024, following the ruling mentioned below in Fox's favor by the Queensland Supreme Court.

On the 12<sup>th</sup> of December 2023 the Queensland Government refunded Fox Resources legal fees amounting to \$90,000. This was because of a ruling on the 29<sup>th</sup> of September 2023 by the Queensland Supreme Court that the Mineral Development Licence Application 3040 (MDLA3040), should be granted to Fox.

On 23<sup>rd</sup> November 2023 the 2022 Annual General Meeting was held, and the following resolutions were approved: Bruce Garlick was re-elected as an Executive Director, and Roy Young was re-elected as a Non-Executive Director.

On the 2<sup>nd</sup> October 2023 Ms. L da Silva agreed to loan Fox Resources Ltd \$50,000 to assist with the cash flow repayable in twelve months. On the 2<sup>nd</sup> of October 2023 Zimprops agreed to enter into a convertible loan with Fox Coal Pty Ltd for \$50,000 repayable in 12 months at 5% interest. On the 3<sup>rd</sup> August 2023 Zimprops agreed to enter into a convertible loan with Fox Coal Pty Ltd for \$50,000 repayable in 12 months at 5% interest.

On 21 August 2023 Ms. L da Silva agreed to loan Fox Resources Ltd \$50,000 repayable in twelve months, at 8% interest, to assist with the cash flow.

On the 24<sup>th</sup> July 2023 Mr. D. Wheeler Chairman and Executive Director, Mr. S. Formica, and MR.E. King, both Non Executive Directors resigned. Mr.T Streeter a Non-Executive Director was reappointed as Chairman. Mr. R. Younge was appointed as a Non-Executive Director, and Mr. B Garlick was appointed as Executive Director.

### Likely Developments and Expected Results

The Board continue to seek new assets and funding opportunities for mining exploration projects.

### Information on Directors

Terence EJ Streeter, Chairman (Resigned Chairman 9 June 2023, Reappointed Chairman 24 July 2023, deceased 15 July 2024) – Non-Executive

#### Experience and expertise

Mr Streeter is a businessman with extensive experience in exploration and mining companies and has held various interests in the nickel sulphide industry for over 30 years.

#### Special Responsibilities

Chair of the Board.

#### Other current directorships.

EMU NL, Corazon Mining Ltd

#### Former directorships in last 3 years

Alto Metals Ltd.



# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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### ***Interests in shares and options***

Mr Streeter and related entities held 7,150,093 ordinary shares at the date of this report.

David Wheeler – Chairman (Appointed 9 June 2023, resigned 24 July 2023) Non-Executive Director

### ***Experience and expertise***

Mr Wheeler is a businessman with more than 30 years of Executive Management Directorship and Corporate Advisory experience including exploration and mining companies, and numerous other business enterprises.

### ***Special Responsibilities***

Chair of the Board

### ***Directorships held in other listed entities in the past three years.***

Mr Wheeler also acts as a director of Avira Resources Ltd, Cradle Resources Ltd, Cycliq Group Ltd, Health House International Ltd, MOAB Ltd, OZZ Resources Ltd, Protean Energy Ltd, PVW Resources Ltd, Ragnar Resources Ltd, Tyranna Resources Ltd, Wellfully Ltd. He was a former director of Blaze Minerals Ltd, Eneabba Gas Ltd, Ultracharge Ltd, and Syntonic Ltd.

### ***Steve Formica – Non-Executive Director – (Appointed 9 June 2023, resigned 24 July 2023)***

Mr Formica has been a successful and operations manager for over 35 years in several privately held business ventures across multiple industry sectors.

### ***Directorships held in other listed entities in the past three years.***

Mr Formica also acts as a director of EchoIQ Ltd, and Ragnar Resources Ltd. He was a former director of Jade Gas Holdings Ltd, Bowen Coking Coal Ltd, Orminex Ltd, and Lindian Resources Ltd.

### ***Eddie King – Non-Executive Director – (Appointed 9 June 2023, resigned 24 July 2023)***

Mr King's experience includes being a Manager for an Investment banking firm where he specialised in the technical and financial analysis of bulk commodity and other resource projects for investment and acquisition.

### ***Directorships held in other listed entities in the past three years.***

Mr King also acts as a director of M3 Mining Ltd, Eastern Resources Ltd, Queensland Pacific Metals Ltd, Ragnar Metals Ltd, Rubix Resources Ltd Noble Helium Ltd, Bindi Metals Ltd, Great Northern Minerals Ltd. He was a former director of Six Sigma Metals Ltd, and Ashton Minerals Ltd.

### ***Luciana da Silva – Non-Executive Director (Resigned 9 June 2023, re-elected 12 September 2024 as Chairperson )***

### ***Experience and expertise***

Ms Da Silva is a businesswoman with experience in exploration and mining companies.

### ***Other current directorships.***

None.

### ***Former directorships in last 3 years***

None.

### ***Interests in shares and options***

Ms da Silva and related entities held 95,063 ordinary shares at the date of this report.

### ***Bruce Garlick, Executive Director (Resigned 9 June 2023, reappointed 24 July 2023), CFO & Company Secretary***

### ***Experience and expertise***

Mr. Garlick has more than 30 years' experience in the mining and engineering industries, both internationally and locally. He is a member of CPA Australia and has a BCom.LLB from the University of Natal South Africa. He has held senior positions in mining companies in Australia, Africa, China, Europe, and America including Normandy Mining (now Newmont Mining), Platinum Australia, ICF Kaiser, and MI Energy. Mr. Garlick has extensive experience with corporate governance, financial regulations and has secured funding for large projects.

### ***Other current directorships***

Errawarra Resources Ltd, Ironbark Zinc Ltd.

### ***Former directorships in last 3 years***

None.

### ***Interests in shares and options***

Mr. Garlick and related entities hold no shares or options at the date of this report.

### ***Roy Young, Non-Executive Director (Appointed 24 July 2023)***

Mr. Young is an experienced businessman with experience in the mining sector, and health care. Mr. Young is a Chartered Accountant.

### ***Other current directorships.*** None

# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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**Former directorships in last 3 years**  
None.

**Interests in shares and options**  
Mr Younge and related entities hold no shares or options at the date of this report.

**David Streeter Non-Executive Director (Appointed 12 September 2024)**  
Mr Streeter is a successful businessman in WA

**Other current Directorships** None  
**Former directorships in last 3 years** None  
**Interests in shares and options**

Mr, Streeter and related entities hold 25,435 shares.

**Gavin Rutherford Non-Executive Director (Appointed 18 July 2024 resigned 9 September 2024)**  
Mr Rutherford is an experienced senior mining executive and has been in the industry for over 28 years. He is a Non-executive Director of EMU NL.

**Other current directorships.** None  
**Former directorships in last 3 years** None  
**Interests in shares and options**  
Mr. Rutherford and related entities hold no shares or options at the date of this report.

### EXECUTIVES

Bruce Garlick, CEO (Resigned 9 June 2023 reappointed 24 July 2023)  
David Wheeler CEO (Appointed 9 June 2023, resigned 24 July 2023)

### COMPANY SECRETARY INFORMATION

Bruce Garlick, Company Secretary  
**Directors' Meetings**

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2023 and the number of meetings attended by each Director.

Name of Director	Director Meetings Eligible To Attend	Number Attended
D.Wheeler	4	4
T Streeter	6	6
E.King	1	1
S.Formica	1	1
B Garlick	6	6
C da Silva	5	3

### Unissued shares under option

There are no unissued ordinary shares of the Company under option at the date of this report.

### Shares issued during or since the end of the year as a result of exercise.

No shares have been issued during or since the end of the year as a result of the exercise of options.

### Directors and Officers Insurance

Indemnity agreements will be entered into between the Company and each of the Directors and Officers of the Company. Under the agreements, the Company will agree to indemnify those officers, to the extent permitted under the *Corporations Act 2001*, against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as officers of the Company. The Directors have not included details of the nature of the liabilities covered.



# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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### Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

### Environmental Regulation

The Company's operations are subject to various environmental regulations under both Commonwealth and State Government legislation. The Directors are not aware of any breaches of the legislation during the current financial year which are material in nature.

The Group's operations are subject to various environmental regulations under the Federal and State Laws of Australia. The majority of the Groups ceased activities involved low-level disturbance associated with exploration drilling programs. Approvals and licences are obtained, and hearings and other regulatory requirements are attended to as required by the management of the Group for each permit or lease in which the Group has an interest.

### Non-Audit Services

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

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor as set out below did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

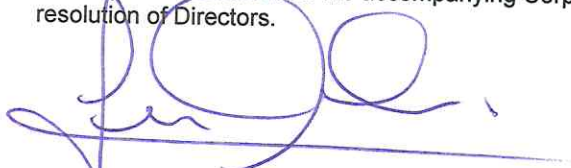
- all non-audit services have been reviewed by the Board to ensure they do no impact on the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of *Ethics for Professional Accountants*.

During the year ended 30 June 2023 and in the previous financial year there were fees paid or payable for non-audit taxation services provided by the auditor of the consolidated entity.

### Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires the lead auditor from Company's auditors, Hall Chadwick Audit (WA) Pty Ltd, to provide the directors with a written Independence Declaration in relation to their audit of the financial report for the year ended 30 June 2023. This written Auditor's Independence Declaration is set out on page 31.

This report which includes the accompanying Corporate Governance Statement is signed in accordance with a resolution of Directors.



CARLA da SILVA  
CHAIRPERSON NON-EXECUTIVE CHAIRMAN

9 October 2024 at Perth, Western Australia.

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Notes	Consolidated 2023 \$	2022 \$
Other income	3(a)	1,583	9,628
Realised Gain/(loss) on the sale of shares	3(b)	(6,712)	(52,048)
Unrealised Gain/(loss) on the sale of assets		-	(16,267)
Employee expense		(104,791)	-
Consultancy expenses		(161,342)	(153,734)
Rental expenses		(61,935)	(24,380)
Insurance expense		(5,638)	(5,754)
Legal expenses		(58,099)	3,841
Accountancy and audit fees		(13,097)	(11,356)
Share registry and exchange expenses		(19,965)	3,384
Other expenses		(16,063)	(30,244)
Finance costs	3(c)	(178,774)	(217,724)
<b>Loss before income tax</b>		<b>(624,834)</b>	<b>(494,654)</b>
Income tax expense	4	-	-
<b>Loss after income tax expense for the year</b>		<b>(624,834)</b>	<b>(494,654)</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total Comprehensive loss for the year</b>		<b>(624,834)</b>	<b>(494,654)</b>
Basic and diluted (loss)/profit per share (cents)	19	(3.26)	(0.06)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes



# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Consolidated Statement of Financial Position as at 30 June 2023

	Notes	Consolidated 2023 \$	2022 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,940	50,309
Investments in listed securities	5	-	42,516
Other assets	6	8,194	6,670
<b>Total Current Assets</b>		<b>10,135</b>	<b>99,495</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	18	6,426,118	5,905,596
<b>Total Non-Current Assets</b>		<b>6,426,118</b>	<b>5,905,596</b>
<b>Total Assets</b>		<b>6,436,253</b>	<b>6,005,091</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	3,353,115	2,908,244
Interest bearing liabilities	9	1,960,065	2,660,556
Provisions	10	33,017	30,217
<b>Total Current Liabilities</b>		<b>5,346,197</b>	<b>5,599,017</b>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	9	7,254,113	6,245,287
<b>Total Non-Current Liabilities</b>		<b>7,254,113</b>	<b>6,245,287</b>
<b>Total Liabilities</b>		<b>12,600,309</b>	<b>11,844,304</b>
<b>Net Assets</b>		<b>(6,164,057)</b>	<b>(5,839,213)</b>
<b>Equity</b>			
Issued capital	11	125,976,992	125,976,992
Accumulated losses	12	(131,816,215)	(131,321,551)
Equity attributable to the owner of the Company		(624,834)	(494,654)
Non-Controlling interest	12	300,000	-
<b>Total Deficiency</b>		<b>(6,164,057)</b>	<b>(5,839,213)</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Notes	Consolidated	2022
			\$
<b>Operating activities</b>			
Receipts from customers		16,484	-
Payments to suppliers and employees	15	(421,331)	(376,271)
<b>Net cash used in operating activities</b>		<b>(404,847)</b>	<b>(376,271)</b>
<b>Investing activities</b>			
Exploration and Evaluation expenditure		(18,517)	(37,523)
Proceeds from sale of share investments		29,994	129,471
Proceeds from sale of exploration assets		-	332,612
<b>Net cash from investing activities</b>		<b>11,477</b>	<b>424,560</b>
<b>Financing activities</b>			
Proceeds from borrowings		345,000	-
<b>Net cash provided by financing activities</b>		<b>345,000</b>	<b>-</b>
Net change in cash and cash equivalents		(48,370)	48,289
Cash and cash equivalents, beginning of year		50,309	2,020
<b>Cash and cash equivalents, end of year</b>		<b>1,940</b>	<b>50,309</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Consolidated Statement of Changes in Equity for the year ended 30 June 2023

CONSOLIDATED		Capital \$	Losses \$	Issued Equity \$
	Notes			
Balance at 1 July 2022	23	125,976,992	(131,816,215)	(5,839,223)
Loss for the period		-	(624,834)	(624,834)
Other comprehensive write back		-	300,000	300,000
At 30 June 2023		125,976,992	(132,141,049)	(6,164,057)
Balance at 1 July 2021	23	125,976,992	(131,321,551)	(5,344,559)
Loss for the period		-	(494,654)	(494,654)
Other comprehensive write back		-	-	-
At 30 June 2022		125,976,992	(131,816,205)	(5,839,213)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# Consolidated Financial Report

for the Financial Year ended 30 June 2023

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## Notes to and Forming Part of the Financial Statements for the year ended 30 June 2023

### 1 Corporate Information

The financial report of Fox Resources Ltd for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 9 October 2024.

The financial statements cover the Group of Fox Resources Limited and its controlled entities. Fox Resources Ltd is a company limited by shares incorporated in Australia and is a public unlisted company. Fox Resources Ltd is a for-profit entity for the purposes of preparing the financial statements.

The nature of the operations and principal activities of Fox Resources Ltd is the exploration for minerals.

### 2 Summary of Significant Accounting Policies

#### (a) Basis of accounting

The consolidated general purpose financial statements of the Company have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis, except for cash flow information, and is based on historical costs with the exception of available for sale investments measured at fair value. This financial report has been presented in Australian dollars.

Fox Resources Ltd is the Group's Ultimate Parent Company. Fox Resources Ltd is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 10 Abbotsford Street, West Leederville, Western Australia.

The consolidated financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board of Directors on 9 October 2024.

#### (b) New and revised standards that are effective for these financial statements

The Company has adopted all new or amended Accounting Standards and Interpretation issued by the AASB that are mandatory for the current reporting year. Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

#### (c) Impact of standards issued but not yet applied

A number of new standards, amendments of standards and interpretation that have recently been issued but not yet effective have not been adopted by the Group as at the financial reporting date. The Group has reviewed these standards and interpretations and has determined that none of the new or amended standards will significantly affect the Group's accounting policies, financial position or performance.

#### (d) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2023. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June 2023.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.



# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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### Notes to and Forming Part of the Financial Statements for the year ended 30 June 2023

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

#### (e) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### (f) Investments and other financial assets

##### Recognition, and de-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

In the periods presented the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.



## **Notes to and Forming Part of the Financial Statements for the year ended 30 June 2023**

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

### **Subsequent measurement of financial assets**

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

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments under AASB 9.

### **Impairment**

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependant on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')

'Stage 3' would cover financial assets that have been objective evidence of impairment at the reporting date.'

12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### **Trade and other receivables**

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the lifetime of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate expected credit losses using a provision matrix.

## **Notes to and Forming Part of the Financial Statements for the year ended 30 June 2023**

### **(g) Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Consolidated Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### **(h) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **(i) Revenue**

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

### **(j) Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

1. except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
2. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

1. except where the deferred income tax asset relating to the deductible temporary differences arises from 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 the accounting profit nor taxable profit or loss; and
2. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.



# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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### Notes to and Forming Part of the Financial Statements for the year ended 30 June 2023

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Rebates received for research and development tax concessions are recognised in the profit or loss.

#### (k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows 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, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (l) Areas in Exploration and Evaluation

Exploration and evaluation costs related to an area of interest are carried forward only when rights of tenure to the area of interest are current and provided that one of the following conditions is met:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- Exploration and/or evaluation activities in the area of interest have not yet reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area are continuing.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

#### (m) Provisions for Site Restoration

The Group records the present value of the estimated cost of legal and constructive obligations (such as those under the Group's Environmental Policy) to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

Typically, the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

## **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

### **(n) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

### **(o) Interest-Bearing Loans and Borrowings**

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised and as well as through the amortisation process.

### **(p) Earnings Per Share ("EPS")**

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as the net profit attributable to members, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes or expenses during the period that would result from the ordinary dilution of potential ordinary shares;

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element

### **(q) 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.

### **(r) Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Where there is a change in an accounting estimate, the change shall be recognised prospectively by including it in profit or loss in the period of the change and in future periods, if the change affects both.

The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **Impairment of capitalised exploration and evaluation expenditure and related project costs**

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.



# Consolidated Financial Report

## for the Financial Year ended 30 June 2023

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### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

For the period ended 30 June 2023 \$520,522 (\$599,095) exploration and evaluation expenditure was capitalised. The basis of the impairment was a value in use calculation based on current market data and costs of the tenements either surrendered during the year or approved and surrendered post the end of the financial year

#### Loans receivable from controlled entities

The carrying value of loans receivable from controlled entities is assessed on an annual basis. In the event that the carrying amount of loans exceeds the net assets of the controlled entities an impairment loss is to write down the carrying amount to equal the net assets of the controlled entities.

#### (s) Going concern

This financial report has been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2023 the Group has reported a loss after tax for the period of \$624,834 (2022: \$494,654), net cash outflows from operating activities of \$404,841 (2022: \$376,271) and a deficit in net assets of \$6,164,057 (2022: deficit of \$5,839,213)

In addition to the above, given the Directors confirmation to defer repayments of related party debts the ability of the Group to continue as a going concern is additionally supported by the following:

- On the 6<sup>th</sup> August 2024, Zimprops transferred \$15,000 as an advance to assist with the cash flow
- In June 2024, Zimprops advanced \$100,000 as an advance to assist with the cash flow
- On the 2<sup>nd</sup> May 2024 Mr. Alan Greenwell and Mrs. Margaret Greenwell as Trustees for the Greenwell Super Fund entered into a Convertible Note for \$50,000 at 8% interest repayable on the 1<sup>st</sup> May 2025 with Fox Coal Pty Ltd.
- The Company has repaid the full amount owing \$250,000 advanced by the stockbroker, in March 2024 including interest of \$10,000. On 24 October 2022 the Company signed a mandate with a stockbroking company to provide pre initial public offering (IPO) capital for the proposed re-listing of the Company on the Australia Stock Exchange (ASX). Due to current adverse market and IPO sentiment, this was cancelled in July 2024. Fox is considering relisting the company.
- On the 17<sup>th</sup> April 2024 Carla da Silva loaned Fox \$80,000 for 12 months at 8%.
- On the 11<sup>th</sup> March 2024 Zimprops agreed to enter into a Convertible loan with Fox Coal Pty Ltd for \$100,000 repayable in 12 months at 5% interest.
- The Mineral Development Licence Application 3040 has been resubmitted to the Department of Resources for approval, on the 22<sup>nd</sup> January 2024, following the ruling mentioned below in Fox's favor by the Queensland Supreme Court.
- On the 12<sup>th</sup> of December 2023 the Queensland Government refunded Fox Resources legal fees amounting to \$90,000. This was because of a ruling on the 29<sup>th</sup> of September 2023 by the Queensland Supreme Court that the Mineral Development Licence Application 3040 (MDLA3040), should be granted to Fox.
- On 23<sup>rd</sup> November 2023 the 2022 Annual General Meeting was held, and the following resolutions were approved: Bruce Garlick was re-elected as an Executive Director, and Roy Young was re-elected as a Non-Executive Director.
- On the 2<sup>nd</sup> October 2023 Ms. L da Silva agreed to loan Fox Resources Ltd \$50,000 to assist with the cash flow repayable in twelve months. On the 2<sup>nd</sup> of October 2023 Zimprops agreed to enter into a convertible loan with Fox Coal Pty Ltd for \$50,000 repayable in 12 months at 5% interest. On the 3<sup>rd</sup> August 2023 Zimprops agreed to enter into a convertible loan with Fox Coal Pty Ltd for \$50,000 repayable in 12 months at 5% interest
- On 21 August 2023 Ms. L da Silva agreed to loan Fox Resources Ltd \$50,000 repayable in twelve months, at 8% interest, to assist with the cash flow. On the 24<sup>th</sup> July 2023 Mr. D. Wheeler Chairman and Executive Director, Mr. S. Formica, and Mr.E. King, both Non Executive Directors resigned. Mr.T Streeter a Non-Executive Director was reappointed as Chairman. Mr. R. Younge was appointed as a Non-Executive Director, and Mr. B Garlick was appointed as Executive Director



# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to the Consolidated Financial Statements for the year ended 30 June 2023

Based on the Directors continued financial support and confirmation that cash inflows generated from the activities detailed above will be utilized for exploration and evaluation of existing assets, prospecting and exploring new projects and working capital, the Directors of the Group are confident the financial report is prepared on a going concern basis.

In the event that the Group is unable to raise additional working capital, if required, or the value of the shares described above materially decreases in value and if the Group is unable to sell shares in the Project, there is significant material uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern. The financial statements do not include adjustments relating to the recoverability and classification of the recorded assets amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

	Notes	Consolidated	2022
<b>Note 3 – Other income and financial costs</b>			\$
<b>(a) Other Income</b>			
Other income		1,583	9,628
		<b>1,583</b>	<b>9,628</b>
<b>(b) Revaluation (Loss)/Gain on fair value of listed securities</b>		(6,712)	(52,048)
<b>(c) Finance Cost Interest on loan from director-related and other entities</b>		<b>178,774</b>	<b>365,062</b>
	Notes	Consolidated	2022
<b>Note 4 – Income Tax</b>			\$
<b>Reconciliation to income tax expense on accounting profit</b>			
Accounting loss before income tax		(624,834)	(708,985)
Tax payable at the statutory income tax rate 25% (2022:25%)		(180,769)	(177,246)
<b>Expenditure not allowable for income tax purposes:</b>			
Tax losses not recognized		180,769	177,246
		-	-
<b>Net Deferred Tax recognized arising on:</b>			
Deferred tax assets			
Tax losses		<b>510,000</b>	<b>510,000</b>

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to the Consolidated Financial Statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>Note 4 – Income Tax (Cont.)</b>		
<b>Deferred tax liabilities</b>		
Exploration and evaluation assets	510,000	510,000
Net deferred tax	-	-
<b>Deferred Tax Asset not recognized arising on:</b>		
Tax losses	37,806,878	37,806,878
Capital losses	-	-
	<b>37,806,878</b>	<b>37,806,878</b>

The Group has tax losses arising in Australia of \$126,850,733 (2022: \$125,827,433) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. These losses are only available if the Group satisfies specific requirements in the tax year in which they were recouped.

### Tax consolidation

For the purposes of income taxation, Fox Resources Limited and its 100% owned subsidiaries have formed a tax consolidated group in 2004. Fox Resources Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

### Tax effect accounting by members of the tax consolidated group

Tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences are recognised in the separate financial statements of the members of the tax consolidated group using the group allocation method. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Members of the tax consolidated group have entered into a tax funding agreement. Under the terms of the tax funding agreement, each member of the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other members of the tax consolidated group.

	Notes	Consolidated	
		2023	2022
		\$	\$
<b>Note 5 – Investments in listed securities</b>			
Listed investment in Corazon Mining Ltd/St George Mining Ltd		-	21,156
Listed investment in Estrella Resources Limited		-	21,360
		<b>-</b>	<b>42,516</b>

### Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include the equity investment in Corazon Mining Ltd and Estrella Resources Limited. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for it at FVOCI.

**Consolidated Financial Report**  
for the Financial Year ended 30 June 2023

**Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

	Notes	Consolidated 2023	2022
<b>Note 6 – Other Assets</b>		\$	\$
<b>Current</b>			
Prepayments		3,116	2,343
Other assets		5,078	4,238
		<u>8,194</u>	<u>6,670</u>

Current other financial assets represent bonds for office premises and credit cards.

	Percentage owned		Class of share	Principal activity
	2023 %	2022 %		
<b>Note 7 – Investment in controlled entities</b>				
<b>Parent</b>				
Fox Resources Limited				
<b>Controlled Entities</b>				
Newcity Corporation Pty Ltd	100	100	Ordinary	Mining & Exploration
Gascoyne Mines Pty Ltd	100	100	Ordinary	Mining & Exploration
Fox Energy Pty Ltd	100	100	Ordinary	Mining & Exploration
Fox Coal Pty Ltd	75	82	Ordinary	Mining & Exploration
Waterford Coal Pty Ltd	100	100	Ordinary	Mining & Exploration

All companies are incorporated in Australia.

	Notes	Consolidated 2023	2022
<b>Note 8 – Trade and other payables</b>		\$	\$
<b>Current</b>			
Trade creditors		326,947	156,309
Other creditors		3,026,168	2,751,935
Total Trade and other payables		<u>3,353,115</u>	<u>2,908,244</u>
Aggregate amounts payable to related parties (included above)			
Other related parties.	16	<u>2,899,606</u>	<u>2,650,961</u>

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.



**Consolidated Financial Report**  
for the Financial Year ended 30 June 2023

**Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

	Notes	Consolidated	
		2023	2022
<b>Note 9 – Interest bearing liabilities</b>		\$	\$
<b>Current</b>			
Other Current Borrowings	(a)	253,574	533,852
Related party loans		1,706,491	2,126,704
		<u>1,960,065</u>	<u>2,660,556</u>
<b>Non - Current</b>			
Related party loans	(a)	<u>7,254,115</u>	<u>6,245,287</u>

**(a) Related and Third-Party Loans**

This relates to loans from Jungle Creek Gold Mines Pty Ltd, G East and B Garlick. Refer to full details at Note 16.

	Notes	Consolidated	
		2023	2022
<b>Note 10 – Provisions</b>		\$	\$
<b>Current</b>			
Employee entitlements		<u>33,017</u>	<u>30,217</u>
<b>Movement in provisions</b>			
At 1 July		30,217	12,960
Entitlements incurred		2,800	17,257
		<u>33,017</u>	<u>30,217</u>

	Notes	Consolidated	
		2023	2022
<b>Note 11 – Contributed Equity</b>		\$	\$
<b>(a) Issued and paid-up capital</b>			
Ordinary shares fully paid		<u>125,976,992</u>	<u>125,976,992</u>
<b>(b) Movement in shares on issue</b>			
		2023 No.	2022 No.
Balance at beginning of year		847,804,893	847,804,893
Total share consolidation issued and paid-up capital		828,615,144	-
Total issued and paid-up capital		<u>19,189,749</u>	<u>847,804,893</u>

**(c) Detail of Share option issues**

No options were issued in the 2023 financial year.

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to the Consolidated Financial Statements for the year ended 30 June 2023

### (e) Terms and conditions of contributed equity

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

### (f) Capital Management Policy

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues. As at 30 June 2023 working capital deficit was \$5,336,062 (2022: \$5,499,521). This is mainly caused by the level of short-term interest bearing liabilities.

	Notes	Consolidated	
		2023	2022
<b>Note 12 – Accumulated losses</b>		\$	\$
Balance at beginning of year		(131,816,215)	(134,135,171)
Net profit/(loss) for the period Reinstatement	23	-	2,813,620
Net profit/ (loss) for the period (as previously stated)		(624,824)	(494,654)
Other comprehensive losses		300,000	-
Balance at end of year		<b>(132,141,029)</b>	<b>(131,816,215)</b>

### Note 13 - Commitments for Expenditure

#### Mineral Tenement Commitments

In accordance with the Queensland Department of Resources, the consolidated entity has obligations to pay tenement rentals and to perform minimum work on mineral tenements held. These obligations vary from time to time in accordance with the tenements held and are expected to be fulfilled in the normal course of operations of the consolidated entity so as to avoid forfeiture of any tenement.

	Notes	Consolidated	
		2023	2022
<b>Minimum expenditure requirements</b>		\$	\$
Not later than one year		52,689	62,500
Later than one year but not later than five years		375,784	130,470
Later than five years		-	-
		<b>428,473</b>	<b>192,970</b>

Exploration commitments relate to Bundaberg exploration assets.

	Notes	Consolidated	
		2023	2022
<b>Note 14 – Remuneration of Auditors – Hall Chadwick</b>		\$	\$
Audit or review of the financial statements		<b>22,000</b>	<b>24,205</b>



# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to the Consolidated Financial Statements for the year ended 30 June 2023

	Notes	Consolidated 2023	2022
Note 15 – Cash flow information		\$	\$
(a) Reconciliation of net loss after tax to net cash flows from operations			
Net Loss		(624,834)	(494,654)
Non-Cash and investment Items			
Loss/ (profit) on sale of exploration assets		-	-
Exploration expenditure written off		-	-
Share revaluation loss / (profit)		-	-
Changes in Assets and Liabilities			
(Increase)/Decrease in Other financial assets		(40,992)	(7,892)
(Increase)/Decrease in Exploration assets		(520,522)	(599,095)
Increase/(Decrease) in accounts payable		170,638	376,031
Increase/(Decrease) in interest bearing assets		608,063	332,081
Increase/(Decrease) in provisions		2,800	17,258
Net cash flows used in operating activities		<u>(404,847)</u>	<u>(376,271)</u>

### Note 16 – Related party transactions.

Details of Fox Resources Limited's wholly owned subsidiaries are included in Note 7.

#### Wholly owned group transactions

Controlled entities made payments and received funds on behalf of Fox Resources Limited and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand; however, demand for repayment is not expected in the next twelve months.

#### Transactions with related parties

As at 30 June 2023, the Company owed Jungle Creek Gold Mines Pty Ltd, of which TEJ Streeter is a Director of the Company, \$7,750,586 including. The terms of the loans are that interest is accrued at a rate of 8% per annum with the loan (including accrued interest) repayable as per the individual loan agreements and each loan is for twelve months. Under the terms of the agreement, Jungle Creek Gold Mines Pty Ltd may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares. Jungle Creek Gold Mines Pty Ltd agreed to extend the loans outstanding at year-end (\$7,750,586) and to continue to financially support the company until the earlier of the sale of the Queensland Coal tenements or 30 June 2023 provided funds are available to repay the loans.

As at 30 June 2023 the Company owed Garry East a former Director of the Company \$655,700 including interest. The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report. Mr East may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares.

The Company entered into an agreement with Bruce Garlick a current Director of the Company in July 2015 to which B Garlick loaned a total of \$250,000. The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loan remains unpaid at the date of this report, with the total balance at 30 June 2023 including interest being \$267,572. Mr Garlick may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares.

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to the Consolidated Financial Statements for the year ended 30 June 2023

### Key management personnel remuneration

	2023	2022
	\$	\$
Short-term benefits	205,350	220,249
Post-employment benefits	-	-
Share based payments	-	-
Total remuneration	205,350	220,249

### Note 17 – Financial Instruments

#### (a) Financial risk management policies and objectives

The Group's principal financial instruments comprise of hire purchase contracts, related party loans and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are cash flow, interest rate risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecasts for interest rate and foreign exchange. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 of the financial statements.

#### (b) Interest rate risk exposure

The consolidated entity's exposure to Interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities is constantly analysed. Within this analysis consideration is given to potential renewals of existing positions and alternative financing. Financial assets and liabilities which are non-interest bearing have not been included in the analysis below. A sensitivity analysis table in relation to interest rate risk has been included at (f).

#### (c) Liquidity Risk

The responsibility of liquidity risk management rests with the Board of Directors. The Board manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The Group's liquidity needs can be met through a variety of sources including: cash generated from operations, short and long-term borrowings and issue of equity instruments. The Group's committed standby facilities contain no financial undertakings relating to interest cover and are not affected by a reduction in the Group's credit rating. Details of the Group and Company's non-derivative financial instruments according to their contractual maturities are in the table below. The amounts below included the principal and interest components of the interest-bearing liabilities which were determined based on the existing conditions at year end.



**Consolidated Financial Report**  
for the Financial Year ended 30 June 2023

**Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

**Note 17 – Financial Instruments (cont.)**

30 June 23 CONSOLIDATED	Maturing				Total
	< 1 year	1 to 3 Years	3 to 5 Years	Over 5 Years	
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	1,940				1,940
Trade and other receivables	-				-
Other financial assets	8,194				8,194
<b>Total Financial Assets</b>	<b>10,135</b>				<b>10,135</b>
<b>Financial Liabilities at Amortised Cost</b>					
Trade and other payables	3,353,115				3,353,115
Related party loan	1,706,491	7,254,113			8,960,604
Borrowings	253,574				253,574
<b>Total Financial Liabilities</b>	<b>5,313,180</b>	<b>7,254,113</b>			<b>12,567,293</b>

30 June 2022 CONSOLIDATED	Maturing				Total
	< 1 year	1 to 3 Years	3 to 5 Years	Over 5 Years	
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	50,309	-	-	-	50,309
Trade and other receivables	-	-	-	-	-
Other financial assets	42,515	-	-	-	42,515
<b>Total Financial Assets</b>	<b>92,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,824</b>
<b>Financial Liabilities at Amortised Cost</b>					
Trade and other payables	2,908,244	-	-	-	2,908,244
Related party loan	2,126,704	6,245,287-	-	-	8,371,991
<b>Total Financial Liabilities</b>	<b>5,034,948</b>	<b>6,245,287-</b>	<b>-</b>	<b>-</b>	<b>11,280,235</b>



## **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

### **Note 17 – Financial Instruments (cont.)**

#### **(d) Net Fair Values**

The fair value of all the Group's financial instruments recognised in the financial statements approximates or equals their carrying amounts.

The net fair values of other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value.

For other assets and other liabilities the net fair value approximates their carrying value except for investments in controlled entities held at cost.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The business purpose of the financial assets is to provide working capital. The business purpose of the financial liabilities is to provide operational finance.

#### **(e) Credit Risk**

The consolidated entity's maximum exposure to credit risk at balance date is the carrying amount of the recognised financial assets net of any provision for doubtful debts.

Credit risk arises from potential failure of counterparties to meet their obligations under the respective contracts at maturity. The Group is exposed to credit risk from its operating activities, financing activities including deposits with banks and foreign exchange transactions.

At balance sheet date the consolidated entity has an exposure to loss in the event counterparties fail to settle on contracts which are favourable to the consolidated entity. This exposure to loss is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Trade receivables are non-interest bearing and are settled within 14 - 30 days. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. There are no receivables that are considered impaired and therefore no impairment loss has been recognised by the Group in the current year (2019: nil).

#### **(f) Sensitivity Analysis**

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post-tax profit and equity including retained earnings would have been affected as shown. The analysis has been performed on the same basis for 2023 and 2022. The following assumptions in relation to market movements have been made in the sensitivity analysis.

Interest rate risk: +1% and -1%. Based on historical rates for the past 5 years, management considers that 100 basis points is a "reasonably possible" estimate for movements in interest rates for the next 12 months.

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to the Consolidated Financial Statements for the year ended 30 June 2023

### Note 17 – Financial Instruments (cont.)

Consolidated 30-Jun-23	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk 1%	
		Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial Assets</b>					
Cash & cash equivalents	1,940	(2)	(2)	2	2
Trade & other receivables					
Other financial assets	-	-	-	-	-
<b>Financial Liabilities</b>					
Trade and other payables	3,353,115	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(5,033)</b>	<b>(5,033)</b>	<b>5,033</b>	<b>5,033</b>
Consolidated 30-Jun-22	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk 1%	
		Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial Assets</b>					
Cash & cash equivalents	50,309	(5,033)	(5,033)	5,033	5,033
Trade & other receivables					
Other financial assets	49,186	-	-	-	-
<b>Financial Liabilities</b>					
Trade and other payables	2,908,244	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(5,033)</b>	<b>(5,033)</b>	<b>5,033</b>	<b>5,033</b>

Foreign exchange risk is not applicable to the Group as all financial assets and liabilities are held in AUD.

#### (i) Capital Risk Management

The Group's capital management objectives are:

- To safeguard the business as a going concern; and
- To maximise returns to shareholders.

The Group may issue new shares or sell assets to reduce debts in order to maintain the optimal capital structure.

The Group also monitors balance sheet strength and flexibility using cash flow forecast analysis and detailed budgeting processes.



# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to the Consolidated Financial Statements for the year ended 30 June 2023

### Note 18 – Exploration and Evaluation Expenditure

For the 30 June 2023 financial year, the Company holds a 40.95% interest in the Bundaberg Coking Coal Project assets that covers tenements EPC 1523, EPC 2195, and EPC 2196.

	Notes	Consolidated 2023	2022
<b>Movement in assets classified as exploration</b>		\$	\$
Balance at beginning of year		5,905,596	2,492,882
<b>Add:</b>			
Add Reinstatement	23	-	2,813,620
Add: Capitalised expenditure		520,522	599,095
Add: Purchase of asset			
Add: Impairment reversals			
Less: Sale of asset			
Balance at end of year		<b>6,426,118</b>	<b>5,905,596</b>

The carrying value of the Group's interest in exploration and evaluation expenditure is dependent upon the continuance of the Group's rights to tenure of the areas of interest and the results of future exploration and recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

### Note 19 – Loss per share

	Notes	Consolidated 2023	2022
		\$	\$
Basic and diluted loss per share – cents		<b>3.26</b>	0.06
<b>Loss used in calculating basic and diluted loss per share</b>			
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share		(624,834)	(494,654)
Weighted number of options outstanding		<b>19,189,749</b>	847,804,893
Less: anti-dilutive options		-	-
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share		<b>19,189,749</b>	<b>847,804,893</b>

### Note 20 – Fair value measurement of non-financial assets

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3:** Unobservable inputs for the asset or liability

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to and Forming Part of the Financial Statements for the year ended 30 June 2023

### Note 20 – Fair value measurement of non-financial assets (cont.)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2023 and 30 June 2022:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>30 June 2023</b>				
<b>Financial assets</b>				
Listed shares	-	-	-	-
<b>Total assets</b>	-	-	-	-
<b>Net fair value</b>	-	-	-	-
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>30 June 2022</b>				
<b>Financial assets</b>				
Listed shares	42,516	-	-	42,516
<b>Total assets</b>	42,516	-	-	42,516
<b>Net fair value</b>	42,516	-	-	42,516

### Note 21 – Contingent Liability

Fox Resources Ltd has an agreement with the lessor of the office premises that on the sale of the Project a payment will be made as part of an agreement to defer rent. The contingent liability is \$48,000; if the Project is not sold the contingent liability is extinguished. Covid rent relief of \$1,500 per month from 1 August 2021 will be repaid on the sale of the project.

On the 22<sup>nd</sup> April 2022 the Minister of Resources made a final unfavorable finding on Fox's Mineral Development Project Application 3040 (MDLA3040), on the grounds that the application is not in the public interest. Fox Resources lodged an application to the Queensland Supreme Court to have this decision overturned. The Supreme Court ruled in Fox's favor and reversed the Ministers decision. The MDLA application has been resubmitted, and a decision should be made in November 2024.

### Note 22 – Events occurring after balance sheet date

The Queensland Minister of Infrastructure has decided not to approve the MDLA 3040 application stating that the project is not in the public interest. Fox Resources rejects this decision and will respond by the 15 November 2024. The Minister of Resources will then make a final decision. The Chairman Terry Streeter passed away on the 15<sup>th</sup> July 2024, he will be sadly missed. Mr. B. Garlick was elected as Chairman 18 July 2024, resigned 12 September 2024, and Mr. G. Rutherford was elected to the Board on the 18<sup>th</sup> July 2024 resigned 9 September 2024. Ms Carla da Silva was elected to the Board on the 12<sup>th</sup> September 2024, and appointed as Chairperson. Mr. D. Streeter was elected to the Board 12 September 2024.

On the 6<sup>th</sup> August 2024, Zimprops transferred \$15,000 as an advance to assist with the cash flow

In June 2024, Zimprops advanced \$100,000 as an advance to assist with the cash flow

On the 2<sup>nd</sup> May 2024 Mr. Alan Greenwell and Mrs. Margaret Greenwell as Trustees for the Greenwell Super Fund entered into a Convertible Note for \$50,000 at 8% interest repayable on the 1<sup>st</sup> May 2025 with Fox Coal Pty Ltd.

The Company has repaid the full amount owing \$250,000 advanced by the stockbroker, in March 2024 including interest of \$10,000. On 24 October 2022 the Company signed a mandate with a stockbroking company to provide pre



## Consolidated Financial Report

### for the Financial Year ended 30 June 2023

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initial public offering (IPO) capital for the proposed re-listing of the Company on the Australia Stock Exchange (ASX). Due to current adverse market and IPO sentiment, this was cancelled in July 2024. Fox is considering relisting the company.

On the 17<sup>th</sup> April 2024 Carla da Silva Ltd loaned Fox \$80,000 for 12 months at 8%.

On the 11<sup>th</sup> March 2024 Zimprops agreed to enter into a Convertible loan with Fox Coal Pty Ltd for \$100,000 repayable in 12 months at 5% interest.

The Mineral Development Licence Application 3040 has been resubmitted to the Department of Resources for approval, on the 22<sup>nd</sup> January 2024, following the ruling mentioned below in Fox's favor by the Queensland Supreme Court.

On the 12<sup>th</sup> of December 2023 the Queensland Government refunded Fox Resources legal fees amounting to \$90,000. This was because of a ruling on the 29<sup>th</sup> of September 2023 by the Queensland Supreme Court that the Mineral Development Licence Application 3040 (MDLA3040), should be granted to Fox.

On 23<sup>rd</sup> November 2023 the 2022 Annual General Meeting was held, and the following resolutions were approved: Bruce Garlick was re-elected as an Executive Director, and Roy Younge was re-elected as a Non-Executive Director.

On the 2<sup>nd</sup> October 2023 Ms. L da Silva agreed to loan Fox Resources Ltd \$50,000 to assist with the cash flow repayable in twelve months. On the 2<sup>nd</sup> of October 2023 Zimprops agreed to enter into a convertible loan with Fox Coal Pty Ltd for \$50,000 repayable in 12 months at 5% interest. On the 3<sup>rd</sup> August 2023 Zimprops agreed to enter into a convertible loan with Fox Coal Pty Ltd for \$50,000 repayable in 12 months at 5% interest

On 21 August 2023 Ms. L da Silva agreed to loan Fox Resources Ltd \$50,000 repayable in twelve months, at 8% interest, to assist with the cash flow.

On the 24<sup>th</sup> July 2023 Mr. D. Wheeler Chairman and Executive Director, Mr. S. Formica, and Mr.E. King, both Non Executive Directors resigned. Mr.T Streeter a Non-Executive Director was reappointed as Chairman. Mr. R. Younge was appointed as a Non-Executive Director, and Mr. B Garlick was appointed as Executive Director.

# Consolidated Financial Report

for the Financial Year ended 30 June 2023

## Notes to and Forming Part of the Financial Statements for the year ended 30 June 2023

### Note 23 – Restatement of Comparatives

As disclosed in the Directors report, the company has entered into a mandate with a stockbroking company to provide pre-IPO funding to assist the company in its re listing on the Australian Stock Exchange. It is now not the Group's intention to dispose of the asset and will continue to explore and develop the asset. In accordance with AASB 5 as the asset no longer meets the classification as held for sale the asset was re classified at June 30, 2021, from held for sale to Exploration and Evaluation Expenditure and will be accounted for in accordance with the Requirements of AASB 6 - Exploration for and Evaluation of Mineral Resources. At the time of issuing the 30 June 2021 Financial Statements, the Board had not had sufficient time to reinstate the carrying value of the asset to represent the true costs incurred on the project. The board has now determined the costs the following adjustments are required.

Exploration and evaluation expenditure as at June 30 2021	\$2,492,882
Reinstatement	<u>\$2,813,620</u>
	\$5,306,502
Accumulated Losses as at June 30 2021	(\$134,135,171)
Reinstatement	<u>\$2,813,620</u>
Accumulated Losses July 1, 2021,	\$(131,321,551)

### Note 24 – Parent entity information.

Information relating to Fox Resources Ltd ("the parent entity")

	2023	2022
	\$	\$
<b>Statement of Financial Position</b>		
Current Assets		
Total Assets	10,135	99,495
Current Liabilities	6,436,253	6,005,091
Total Liabilities	(5,346,196)	(5,599,018)
<b>Net Assets</b>	<u>(12,600,309)</u>	<u>(11,844,304)</u>
	<b>(6,164,056)</b>	<b>(5,839,213)</b>
Issued Capital	125,976,992	125,976,992
Accumulated losses	(132,141,048)	(131,816,205)
<b>Total Equity</b>	<u><b>(6,164,056)</b></u>	<u><b>(5,839,213)</b></u>
<b>Statement of profit or loss and other comprehensive income</b>		
Loss for the year	(624,834)	(494,654)
<b>Total comprehensive loss</b>	<u><b>(624,834)</b></u>	<u><b>(494,654)</b></u>

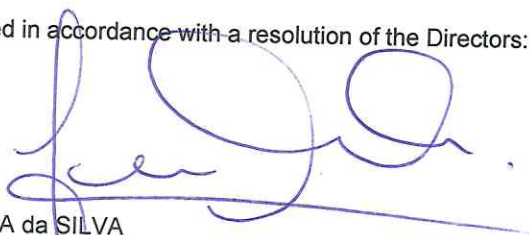


## DIRECTOR'S DECLARATION

In the Directors' opinion:

1. In the opinion of the Directors of Fox Resources Ltd:
  - (a) The consolidated financial statements and notes of Fox Resources Ltd are in accordance with the Corporations Act 2001, including:
    - a. Giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
    - b. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - (b) There are reasonable grounds to believe that Fox Resources Ltd will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2023.
3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



CARLA da SILVA  
CHAIRPERSON NON-EXECUTIVE DIRECTOR

Dated the 9 October 2024 at Perth, Western Australia.

To the Board of Directors,

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

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

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

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



MICHAEL HILLGROVE FCA  
Director

Dated this 9<sup>th</sup> day of October 2024  
Perth, Western Australia



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOX RESOURCES LIMITED

### Report on the Audit of the Financial Report

#### Opinion

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

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

#### Basis for Opinion

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

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

## Material Uncertainty Related to Going Concern

We draw attention to Note 2(s) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$624,834 during the year ended 30 June 2023. As stated in Note 2(s) these events or conditions, along with other matters as set forth in Note 2(s), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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



## Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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.



**HALL CHADWICK WA AUDIT PTY LTD**



**MICHAEL HILLGROVE** FCA  
Director

Dated this 9<sup>th</sup> day of October 2024  
Perth, Western Australia