



# FINANCIAL REPORT

FOR THE YEAR ENDED 30 June 2022

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## **Corporate Governance Statement**

Power Minerals Limited (the Company, PNN) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board of Directors (Board) continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

The relationship between the Board and senior management is critical to the Group's long-term success. The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is managed properly.

A description of the Company's main corporate governance practices is set out in the Corporate Governance Statement which is available on the company's website at <http://www.powerminerals.com.au/about-us/corporate-governance>. The Corporate Governance Statement is current as at 30 June 2022 and has been approved by the Board. All of these practices, unless otherwise stated, were in place for the entire year.

During the year the Company developed and implemented a new Whistleblower Policy and an Anti-Bribery & Corruption Policy and undertook a review to update its Securities Trading Policy.

## Directors' Report

The Directors of Power Minerals Limited (Power, PNN or the Company) present their report together with the Consolidated Financial Report, on the Company and its controlled subsidiaries (the Group) for the year ended 30 June 2022.

### Directors

The following persons were Directors of Power Minerals Limited during the whole of the financial year and up to the date of this report, except as otherwise noted:

- James Moses
- David Turvey (appointed 7 July 2021)
- Mena Habib (appointed 9 July 2021)
- Stephen Ross (appointed 9 July 2021)
- Robert (Wei) Sun (resigned on 7 July 2021)
- Rebecca Holland-Kennedy (resigned 25 November 2021)
- Luis Kennedy (resigned 25 November 2021)

### Principal activities

During the year the principal continuing activities of the Group consisted of exploration and project enhancing activities in respect of:

- Lithium
- Copper
- Nickel, Cobalt, PGE
- Gold
- Kaolin – Halloysite

The Company changed its name to Power Minerals Limited following shareholder approval at a general meeting on 9 June 2022 to best reflect and represent the Company's renewed focus on its portfolio of battery and technology metals projects, led by the Salta Lithium Brine Project in Argentina and the Eyre Peninsula Kaolin-Halloysite Project in South Australia. It also encompasses the copper, nickel, cobalt and gold projects in the Musgrave of South Australia and at Santa Ines in Argentina that the Company is progressing.

### Dividends

No dividends have been paid for the year ended 30 June 2022 or 30 June 2021.

No further dividends have been declared up to the date of this report.

### Review of operations

Power Minerals completed an active field season and other project enhancing activities across its asset portfolio during the year. These included the completion of maiden drilling programs at the Eyre Peninsula Kaolin-Halloysite Project in South Australia and the Santa Ines Copper-Gold Project in Argentina. The Company's core focus was the Salta Lithium Project in Argentina, where significant progress was achieved. At the Musgrave Nickel-Copper-Cobalt Project in South Australia, it continued to work to secure an Exploration Deed with the Anangu Pitjantjatjara Yankunytjatjara (APY) traditional owners for the priority Pink Slipper exploration target.

### Australia

#### Musgrave Province Nickel/Copper/Cobalt project

The Musgrave Project comprises two Exploration Licences and eight Exploration Licence Applications (ELAs) held by wholly-owned Power subsidiary, NiCul Minerals Ltd, together with a further four ELAs held by Rio Tinto Exploration Pty Limited (Rio Tinto). The Project covers 14,618km<sup>2</sup>, (of which 615km<sup>2</sup>, is represented by the Rio Tinto ELAs) within the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, in the Musgrave Province of north-west South Australia.

Power is targeting nickel-copper-cobalt mineralisation at the Project. A number of targets have been generated from a previous airborne electromagnetic (EM) survey in 2016. The priority target is the Pink Slipper geophysical anomaly. It sits within four ELAs over an area of 615km<sup>2</sup>, which are the subject of a Farm-in and Joint Venture Agreement Project with Rio Tinto. Power has the right to earn an initial 51% equity in the Rio Tinto ELAs. During the year, Power and Rio Tinto

Exploration indicatively agreed on a Deed of Amendment to the Farm-In and Joint Venture Agreement, to extend the Farm-In Period to 31 December 2023. The extension provides the parties additional time to enter into an Exploration Deed with the APY traditional owners.

Power continued to work with the APY traditional owners to negotiate an Exploration Deed for the Pink Slipper area (ELA 2015/214). An Exploration Deed with the traditional owners is a pre-requisite for the granting of ELA 2015/214, and the commencement of on-ground exploration and drilling at the Pink Slipper target. This represents a core priority for the Company.

### **Eyre Peninsula Kaolin project**

The Eyre Peninsula Kaolin-Halloysite Project consists of three Exploration Licences (EL6677, EL6681 and EL6689) covering a total area of 1,413km<sup>2</sup>. It is strategically located adjacent to Andromeda Metals' (ASX: ADN) Kaolin-Halloysite projects on the western side of the Eyre Peninsula.

Power completed its first phase of drilling at the Project during the year. A total of 4,217 metres of aircore drilling were completed across 128 holes at priority targets at the three Exploration Licences. Drill targets were identified from historical exploration including geophysics, and drilling was designed to test the depth and areal extent, plus mineralogy, of known and suspected kaolin occurrences.

Initial observations from the drilling at a priority target west of Kapinnie (within EL6689) showed a significant zone of kaolin in excess of 20 metres in thickness. Drilling also showed that kaolin exists north of Kapinnie and within EL6681. Samples from the drilling were systematically analysed by pXRF for a range of elements, including selective rare earth elements (REE) and were sent for laboratory analysis.

Subsequent to the year, the Company reported the REE assay results. A total of 53 samples were subjected to detailed REE analyses, which returned highly encouraging results, included multiple zones of elevated REE's. Highlight results included; 1,236ppm Total Rare Earth Oxide (TREO), including 18% HREO over 3m from 32m (in drillhole PKD22-084). In total, 12 samples recorded a TREO concentration of greater than 500ppm. Kaolin assay results are currently pending.

### **Argentina - Salta project**

#### *Salta lithium brine projects*

The Salta Project is 100%-owned by Power and is located in the Salta province in north-west Argentina. It is situated within the Lithium Triangle, the world's leading lithium brine region. The Project consists of five salares (salt lakes) that sit within seven mining leases, over a total area of 147.07km<sup>2</sup>. Power is focused on developing the Project to deliver significant commercial outcomes, and deliver shareholder value.

The Company entered into non-binding Memorandums of Understanding (MoU) with two global lithium companies during the year. The first was with leading Direct Lithium Extraction (DLE) technology company Sunresin New Materials Co. Ltd. (Sunresin). The MoU is proposed to be carried out in four phases, with the end goal of securing a binding agreement that delivers battery-grade lithium-in-concentrate (LIC) from the Salta Project, while complying with international ESG standards. The first phase of the MoU involved an assessment of brines from the Salta Project to determine their suitability for Sunresin's DLE technology, which has been successfully completed.

An MoU was also entered into with global lithium supply chain group Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) under which the parties propose to conduct due diligence and conduct negotiations in respect of a binding off-take, funding and logistics agreement for the Salta Project.

Power also confirmed plans for a resource definition drilling campaign at the Salta Project. Drilling will commence at the Incahuasi salar, located immediately adjacent to Ganfeng Lithium Co. Ltd's project in the region, and then progress to the Pocitos and Rincon salares. The campaign is designed to deliver maiden Mineral Resources at Incahuasi and Pocitos, and expand the existing Mineral Resource at Rincon, with the aim of upgrading the Salta Project's existing JORC Mineral Resource (ASX announcements, 23 January 2019 and 27 June 2018) to support future development plans at the Project. Drilling is planned to commence Q3, calendar 2022.

The Company also completed a brine blending program at the Project during the year and reported highly positive results. It was designed to assess that if by blending the different chemical properties of the lithium brines from the Incahuasi salar and the Rincon salar, it was able to deliver a higher lithium concentration with minimal deleterious elements and high lithium recoveries in the concentrated brine, relative to the lithium concentrate values of the individual salares – and at a relatively lower cost. The program delivered an exceptionally high-grade lithium concentrate of 5.3% lithium with low levels of contaminants, plus expected significant reagent cost savings. Full details are available in ASX announcement of 11 May 2022.

### *Salta Ines Copper-Gold Projects*

The Santa Ines Project consists of four mining leases covering 61.4km<sup>2</sup>, in north-western Argentina, and represents a potential large-scale copper-gold porphyry target. It is strategically located in the same geological setting as BHP's nearby, world-class Escondida Copper-Gold Mine in Chile, and 40km south-west of First Quantum's Taca Taca Cu-Au-Mo Project.

A maiden drilling program was completed at Santa Ines, where 651.4 metres were completed in five diamond core holes. Drilling was designed to target structures below historical surface workings of strong copper-iron-gold mineralisation, and also a separate, un-explored shallow magnetic target. Drill core from the program was logged and 360 core samples were sent for laboratory analysis. Observation of the core samples showed that oxidised copper minerals (malachite and chrysocolla) were present in all drillholes. The magnetic target was tested by drillhole PNS122-03 and magnetite-haematite veins were recorded over much of this drillhole. Assay results are pending.

Further information relating to the Group's projects and future directions have been made publicly available on the Company's website at [www.powerminerals.com.au](http://www.powerminerals.com.au).

### **Financial position and performance**

The loss for the consolidated entity after providing for income tax amounted to \$1,046,520 (30 June 2021: \$1,103,243).

The financial position of the consolidated entity is strong with excellent liquidity and a large asset base, which is being fully utilised. The consolidated entity continued to undertake exploration and evaluation activities on its tenements located in South Australia, Australia and the Salta Province, Argentina.

### **Significant changes in state of affairs**

There was no significant change in the state of affairs of the Group during the financial year, other than what has been reported in other parts of this report.

### **Matters subsequent to the end of the period**

Power Minerals announced on 14 September 2022 (ASX Announcement) a placement raising approximately \$5.5 million from sophisticated, professional and institutional investors. The placement consists of up to 10,576,924 ordinary fully paid shares at an issue price of \$0.52 per share. This excludes participation by Directors involving 86,539 shares which will only be issued subject to shareholder approval at the 2022 AGM. The shares (with the exception of the Directors' participation) are scheduled to be issued on or about 21 September 2022.

The funds will be used for resource definition drilling and to advance existing MOUs at the Salta Lithium Project in Argentina, further drilling and test work at the Eyre Peninsula Kaolin-Halloysite Project and to progress project access and exploration for the Musgrave Ni-Cu-Co-PGE project in South Australia, and for working capital.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### **Likely developments in future financial years and expected results of operations**

The Group intends to continue to advance its portfolio of existing projects, including:

- Mineral Resource definition at priority salares at the Salta Lithium Project, and define upgraded Salta Project JORC Mineral Resource
- Advancement of existing MOUs in relation to DLE technology plus funding, infrastructure and offtake at the Salta Lithium Project in Argentina
- Further drilling and ongoing test work at the Eyre Peninsula Kaolin-Halloysite Project in South Australia
- The progression of project access to facilitate the commencement of on-ground exploration at the Musgrave project Ni-Cu-Co-PGE project in South Australia, in particular the Pink Slipper geophysical anomaly pursuant to the farm-in and joint venture with Rio Tinto Exploration Pty Ltd

### **Environmental regulations**

The mining tenure granted to the Group pursuant to the various Mining Acts is granted subject to conditions which include standard environmental requirements. The Group adheres to these conditions and the Directors are not aware of any contraventions of these regulations.

### Information on Directors

The particulars of the Directors of the Company during or since the end of the financial year are:

<b>Name:</b>	<b>Stephen Ross</b>
<b>Title:</b>	Non-Executive Director, Chairman (appointed 9 July 2021)
<b>Qualifications</b>	BSc (Geology), Grad Dip Fin, FFINSIA, MAusIMM, MAICD
<b>Experience and expertise:</b>	<p>Stephen Ross is a geologist, independent consultant and public company director that has been involved in the international minerals industry in technical, business development and corporate positions for 30 years. Stephen has sourced significant investments for junior explorers and pre-development resource companies worldwide while holding managing director and technical positions when based in Central Asia, West Africa and Sri Lanka.</p> <p>Stephen is currently a non-executive director of ASX-listed Pinnacle Minerals Limited (ASX:PIM) and Summit Minerals Limited (ASX:SUM). He holds a Bachelor of Science in Geology and a Graduate Diploma in Applied Finance &amp; Investment. He is also a member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Financial Services Institute of Australasia and is a member of the Australian Institute of Company Directors.</p>
<b>Other current listed company directorships:</b>	Pinnacles Minerals Limited (ASX:PIM) 2022 Summit Minerals Limited (ASX:SUM) 2022
<b>Former listed company directorships (last 3 years):</b>	Aguia Resources Ltd (ASX: AGR) 2019-2020 East Energy Resources Limited (ASX: EER) 2021
<b>Interest in shares:</b>	Nil
<b>Interest in options:</b>	Nil
<b>Contractual rights to shares:</b>	600,000

<b>Name:</b>	<b>Mena Habib</b>
<b>Title:</b>	Executive Director (appointed 17 January 2022), Non-Executive Director, (appointed 9 July 2021)
<b>Qualifications</b>	Dip. Financial Planning
<b>Experience and expertise:</b>	<p>Mena Habib has extensive experience in sales, marketing and management. His business acumen is evidenced by having run multiple enterprises, with millions of dollars in turnover. Mena is an authorised representative and operates from an office in Melbourne. He is focused on investing and working with emerging private and public companies (particularly mining).</p> <p>Mena is currently a non-executive director of Equinox Resources Ltd (ASX:EQN).</p>
<b>Other current listed company directorships:</b>	Equinox Resources Ltd (ASX:EQN) 2021
<b>Former listed company directorships (last 3 years):</b>	Nil
<b>Interest in shares:</b>	420,321
<b>Interest in options:</b>	81,895
<b>Contractual rights to shares:</b>	1,100,000

<b>Name:</b>	<b>David Turvey</b>
<b>Title:</b>	Non-Executive Director (appointed 7 July 2021)
<b>Qualifications</b>	BSc Hons (Geology), MAusIMM, Dip. Gemmology, Dip. Marketing, FSEG
<b>Experience and expertise:</b>	<p>David Turvey is a geologist with more than 35 years' experience in the Australian and Asian mining industries in exploration, business development and corporate M&amp;A activities in industrial minerals, precious-base-specialty metals and bulk commodities.</p> <p>David holds a Bachelor of Science (Geology) and Diplomas in Gemmology and Marketing Management. He is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists.</p>
<b>Other current listed company directorships:</b>	Nil
<b>Former listed company directorships (last 3 years):</b>	<p>Southern Gold Limited (ASX:SAU) 2010 – 2020</p> <p>Kogi Iron Limited (ASX:KFE) 2019 – 2020</p>
<b>Interest in shares:</b>	105,000
<b>Interest in options:</b>	Nil
<b>Contractual rights to shares:</b>	420,000

<b>Name:</b>	<b>James Moses</b>
<b>Title:</b>	Non-Executive Director
<b>Qualifications</b>	B Bus, Grad Dip Com
<b>Experience and expertise:</b>	<p>James Moses has an extensive background in investment markets and the media in a career spanning 30 years. He is the founder and managing director of a leading Australian bespoke investor relations and corporate communications practice for public companies.</p> <p>Prior to this, he was Investor Relations Manager for a major national public relations firm. He has also previously worked as a business and finance journalist, and was editor of Australia's leading resource sector investor publication.</p> <p>His career began in the investment market, where he held a number business development roles with leading global fund managers over a period of 15 years, and was also a private client adviser for a high net worth investment advisory firm.</p> <p>James holds a Bachelor of Business and a Graduate Diploma in Communications-Journalism.</p>
<b>Other current listed company directorships:</b>	Aruma Resources (ASX: AAJ) from August 2022
<b>Former listed company directorships (last 3 years):</b>	Nil
<b>Interest in shares:</b>	Nil
<b>Interest in options:</b>	Nil
<b>Contractual rights to shares:</b>	420,000

<b>Name:</b>	<b>Luis Kennedy</b>
<b>Title:</b>	Non-Executive Director (resigned 25 November 2021)
<b>Qualifications</b>	Qualifications: B.Commerce, B.LLB, CA, Cert T & R
<b>Experience and expertise:</b>	Luis Kennedy is a qualified Chartered Accountant and Lawyer and is the son of founding Director Norman Kennedy and currently an Associate Director within, Mergers and Acquisitions offering at Deloitte Australia. Luis has been with Deloitte for over eight years and has had a wide range of experience including Merger and Acquisitions transactions (pre-deal due diligence, separation, carve-outs, post-merger integration), business reviews (independent, pre-lend and debt advisory for Financiers and Private sector clients, funding and financial viability for Public sector clients), and management support and implementation (turnaround, restructuring and project management).
<b>Other current listed company directorships:</b>	N/A – Director resigned on 25 November 2021
<b>Former listed company directorships (last 3 years):</b>	N/A – Director resigned on 25 November 2021
<b>Interest in shares:</b>	Nil – Director resigned on 25 November 2021
<b>Interest in options:</b>	Nil – Director resigned on 25 November 2021
<b>Contractual rights to shares:</b>	Nil – Director resigned on 25 November 2021

<b>Name:</b>	<b>Robert (Wei) Sun</b>
<b>Title:</b>	Non-Executive Director (resigned 7 July 2021)
<b>Qualifications</b>	M Economics, M E-Commerce
<b>Experience and expertise:</b>	Robert (Wei) Sun was a non-executive Director in Power from 2011 to 2018 and a senior executive in the Company from 2009 to 2010.  Robert is the Managing Director of Yara group Pty Ltd, who hold three alluvial gold projects in Papua New Guinea. Prior to this role Mr Sun was Managing Director of Living Cities Development Group Ltd (formerly known as Ferrowest Ltd) from 2015 - 2016. He was also Joint Venture Director of Outback Iron Pty Ltd, a JV between TFA International Pty Ltd and IMX, from 2012 – 2015, and was responsible for the management of the Cairn Hill iron-copper mine in South Australia.
<b>Other current listed company directorships:</b>	N/A – Director resigned on 7 July 2021
<b>Former listed company directorships (last 3 years):</b>	N/A – Director resigned on 7 July 2021
<b>Interest in shares:</b>	Nil – Director resigned on 7 July 2021
<b>Interest in options:</b>	Nil – Director resigned on 7 July 2021
<b>Contractual rights to shares:</b>	Nil – Director resigned on 7 July 2021

<b>Name:</b>	<b>Rebecca Holland Kennedy</b>
<b>Title:</b>	Non-Executive Director (resigned 25 November 2021), Executive Director (resigned 21 October 2021)
<b>Qualifications</b>	BSc(Geology), MAusIMM, BArts(Humanities), GAICD
<b>Experience and expertise:</b>	<p>Rebecca Holland-Kennedy is a Geologist and was a founding Director of Power Minerals Limited and has been a board member since 2002. She has more than 30 years' experience in mineral exploration, exploration company administration and data management. She has held positions with Robertson Research, Macquarie University, NSW Department of Mines and Energy as well as acting as exploration and data management consultant to AGL, Amax, BHP, AGIP, Shell, CRA, Caltex and Meekatharra Mineral Limited</p> <p>Rebecca holds a Bachelor of Science in Geology, a Bachelor of Arts in Humanities, is a member of the Australasian Institute of Mining and Metallurgy, a Graduate of the Australian Institute of Company Directors and was awarded the most valuable Women in Mining Award in South Australia in 2014 and was the South Australian finalist in the Exceptional Women category for the Inaugural National Women in Resources Award 2014.</p>
<b>Other current listed company directorships:</b>	N/A – Director resigned on 25 November 2021
<b>Former listed company directorships (last 3 years):</b>	N/A – Director resigned on 25 November 2021
<b>Interest in shares:</b>	Nil – Director resigned on 25 November 2021
<b>Interest in options:</b>	Nil – Director resigned on 25 November 2021
<b>Contractual rights to shares:</b>	Nil – Director resigned on 25 November 2021

### Company secretary

Pamela Sayers was appointed as the Company Secretary on 31 December 2020.

Pamela is a geologist with over 27 years' experience in the tourism, transport and mineral industries in project management, policy development, operations, administration, governance and compliance. She holds an MSc (Qual) a BSc,(Ed) Geology, is a Graduate of the Australian Institute of Company Directors, a Member of the Australian Shareholders Association and a Graduate of the Governance Institute of Australia.

### Share options and performance rights granted to Directors and senior management

During the financial year 2,540,000 performance rights exercisable at \$0.00 were granted to Directors at the EGM held on the on 9 June 2022, as set out in the remuneration report of this Directors' Report, on pages 11 to 19.

### Shares under option

Details of unissued shares under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Power Minerals Limited	3,144,887	Ordinary	80cps	30 Nov 2022
Power Minerals Limited	6,144,908	Ordinary	25cps	31 Dec 2023
Power Minerals Limited	1,241,470	Ordinary	35cps	31 Dec 2023
Power Minerals Limited	1,200,000	Ordinary	35cps	31 Dec 2023
Power Minerals Limited	2,000,000	Ordinary	76cps	31 Dec 2024
<b>Total</b>	<b>13,731,265</b>			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

Details of performance rights as at the date of this report are:

Issuing entity	Number of performance rights	Class of shares	Exercise price of rights	Expiry date of performance rights
Power Minerals Limited	2,540,000	Ordinary	0cps	8 Jun 2027
<b>Total</b>	<b>2,540,000</b>			

The holders of these performance rights do not have the right, by virtue of the performance right, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

### Shares issued on exercise of options

The following ordinary shares of Power Minerals Limited were issued through the exercise of options during the year ended 30 June 2022 and up to the date of this report:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Power Minerals Limited	141,933	Ordinary	80cps	30 Nov 2022
Power Minerals Limited	2,350,766	Ordinary	25cps	31 Dec 2023
Power Minerals Limited	21,895	Ordinary	35cps	31 Dec 2023

### Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee member). The Corporate Governance Committee did not meet during the year as the Company's governance matters were considered by the full Board.

Directors	Board of Directors			Corporate governance Committee			Audit Committee			Remuneration Committee		
	Held	Board Member	Attended	Held	Committee Member	Attended	Held	Committee Member	Attended	Held	Committee Member	Attended
Rebecca Holland-Kennedy	12	7	7	-	-	-	2	1	1	1	-	-
Luis Kennedy	12	7	7	-	-	-	2	1	1	1	1	1
Robert Wei Sun	12	1	1	-	-	-	2	-	-	1	-	-
James Moses	12	12	12	-	-	-	2	2	2	1	-	-
David Turvey	12	11	11	-	-	-	2	-	-	1	1	1
Stephen Ross	12	11	10	-	-	-	2	-	-	1	1	1
Mena Habib	12	11	11	-	-	-	2	2	2	1	1	1

## Remuneration report – audited

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

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

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

### (A) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices;

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

The Board has established a Remuneration committee which provides advice on remuneration and incentive policies and specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and Non-Executive Directors. The Corporate Governance Statement provides further information on the role of this Committee.

#### *Role of Remuneration Committee*

The Remuneration Committee is a committee of the Board and is primarily responsible for making recommendations to the board on:

- Non-Executive Director fees
- Executive remuneration (Directors and other executives) and
- Overarching executive remuneration framework and incentive plan.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. In doing this, the Remuneration Committee seeks advice as required from independent remuneration consultants.

The corporate governance statement provides further information on the role of this Committee.

#### *Non-executive Directors*

Fees and payments to Non-Executive Directors reflect the demands made on, the responsibilities of, and inherent risk to Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board and Non-Executive Directors are remunerated for their services as Directors by a fixed sum and not a commission on a percentage of profits or operating revenue. The total approved remuneration pool from which non-executive remuneration is paid may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to Shareholders. Directors are also entitled to reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any Committee engaged in the Group's business.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2021, where the shareholders approved a maximum annual aggregate remuneration of \$300,000.

Performance rights are granted to non-executive directors as approved by shareholders on 9 June 2021 to attract and retain high calibre directors to the board.

### *Directors' retirement benefits*

Any Director may be paid a retirement benefit as determined by the Board, consistent with the Corporations Act and the Listing Rules.

### *Directors' voting obligations*

A Director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interest, if it will be contrary to the Corporations Act. If such a Director does vote, his or her vote will not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both of these prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a General Meeting if permitted by the Corporations Act.

## **(B) Executive remuneration policy and framework**

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent
- Aligned to the Company's strategic and business objectives and the creation of shareholder value
- Transparent, and
- Acceptable to shareholders.

The executive remuneration framework has three components:

- Base pay and benefits, including superannuation,
- Short-term performance incentives, and
- Long-term incentives through participation in Power share option or performance rights plans.

### *Executive remuneration mix*

In accordance with the Company's objective to ensure that executive remuneration is aligned to Company performance, a percentage of the employee's base pay is available as a bonus based on achieving agreed (both individual and Company) key performance indicators. These indicators are decided upon at the beginning of the financial year and assessed at the end of the financial year. The Company indicator is a share price target and the executive indicators relate to leadership, teamwork, competency and proficiency.

### *Base pay and benefits*

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion or change in role.

There are no guaranteed pay increases included in any executives' contracts. Executives do not receive any benefits.

### *Superannuation*

Employees receive Superannuation Guarantee payments based on the statutory percentage of base salary. No other retirement benefits are provided directly by the Group unless approved by shareholders.

### *Short-term incentives*

Executives have the opportunity to earn an annual short-term incentive (STI) if predefined targets are achieved. The executive team has an STI opportunity of up to 10% of TEC, although further amounts can be decided by the remuneration committee for outstanding performance. The Company target is share price for the Company and is reviewed annually. The executive targets relate to leadership, teamwork, competency and proficiency.

The Remuneration Committee is responsible for assessing whether KPIs are met. The Committee has the discretion to adjust short-term incentives downwards in light of unexpected or unintended circumstances.

### *Long-term incentives*

Long-term incentives are provided to certain employees via the Power Minerals Limited Employee Share Option Plan which was approved by shareholders at the 2011 Annual General Meeting.

The Power Minerals Limited Employee Share Option Plan is designed to provide long-term incentives for executives to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if the employees are still employed by the Company at the end of the vesting period. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The vesting conditions are determined by the Board as a long term employment performance incentive specific to the employee and executive. Once vested, the options are exercisable at points over a period of years determined by the Board. Options are granted under the plan for no consideration.

Share-based payments remuneration in the form of performance rights (LTI) was implemented during the year ended 30 June 2022 for Executive Directors, linking remuneration to share price performance.

### *Share trading policy*

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy. The policy was issued to the ASX and made available to all shareholders on 29 December 2010. It was reviewed during the year with proposed implementation in September 2022.

### **(C) Use of remuneration consultants**

During the year an independent external remuneration consultant was engaged to assist with developing a remuneration framework and guiding principles to ensure that total remuneration packages for key management personnel (KMP) are relevant compared to current market benchmarks and competitively set to attract and retain appropriately qualified and experienced people. As a result of an internal selection process, the Company appointed BDO Remuneration and Reward Ltd (BDO) to review the existing KMP remuneration approach and determine appropriateness of current pay structures compared to 'peers' in the market. This has resulted in share-based payments remuneration in the form of performance rights (LTI) being implemented. BDO are an international consulting and business advisory organisation that work with a range of ASX listed companies. Total fees paid to BDO for the independent advice was \$23,883 during the year ended 30 June 2022.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

### **(D) Voting and comments made at the company's 2021 Annual General Meeting**

Power Minerals Limited received 8.16% of votes Against the Resolution on its Remuneration Report for the 2021 financial year and as this was less than 25% of the votes the Resolution was carried. In 2020 the Company received 24.06% of votes Against the Resolution on its Remuneration Report and as this was less than 25% of the votes the Resolution was carried.

**(E) Consolidated entity performance and link to remuneration**

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2022:

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	61	99	55	1	35
Net (loss) / profit before tax	(984)	(1,040)	(974)	(1,306)	(1,313)
Net (loss) / profit after tax	(1,047)	(1,103)	(985)	(1,374)	(1,329)
Share price at start of year	\$0.265	\$0.001	\$0.003	\$0.019	\$0.016
Share price at end of year	\$0.445	\$0.265	\$0.001	\$0.003	\$0.019
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	-
Basic (loss) / earnings per share	(1.9) cps	(3.4) cps	(0.1) cps	(0.2) cps	(0.3) cps
Diluted (loss) / earnings per share	(1.9) cps	(3.4) cps	(0.1) cps	(0.2) cps	(0.3) cps
Short term incentive (% of maximum)	<b>0.00%</b>	<b>10.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

The payment of the short-term incentive is at the discretion of the Board. The short-term incentive (Cash Bonus) as a percentage of the maximum available, share price and the earnings per share for the current year and the previous four years are set out in the table above.

Share-based payments remuneration in the form of performance rights (LTI) was implemented during the year ended 30 June 2022 for Executive Directors and Non-Executive Directors, linking remuneration to share price performance.

By granting performance rights subject to performance criteria and exercisable in tranches, the Company aligns the incentives to the long-term performance of the Company. The Board considers that the grant of performance rights to its directors, which are subject to the performance criteria, provides an additional incentive to those directors to work towards maximising returns to shareholders and to encourage each director's retention.

Further, the Board also considers that the use of performance rights is superior to alternative forms of incentives, such as cash, on the basis that the performance rights becoming exercisable and the consequential issuing of shares in the capital of the Company to each of the directors means that the shareholding in the Company of each of those directors increases, and this results in an increased alignment of the interests of directors and shareholders.

The relative proportions of remuneration paid/payable that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	2021	2022	2021	2022	2021
<b>Directors of Power Minerals Limited</b>						
Rebecca Holland-Kennedy	100%	90%	-	10%	-	-
Robert Wei Sun	100%	100%	-	-	-	-
Luis Kennedy	100%	100%	-	-	-	-
James Moses	88.0%	100%	-	-	12.0%	-
David Turvey	89.4%	100%	-	-	10.6%	-
Stephen Ross	86.3%	100%	-	-	13.7%	-
Mena Habib	90.5%	100%	-	-	9.5%	-

**(F) Details of remuneration**

Details of the remuneration of key management personnel of the consolidated entity, as detailed below, are set out in the following tables.

*Key management personnel of the Group*

2022	Short-term employee benefits				Post-employment benefit	Long-term benefits	Termination benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Consulting Fees	Other					
Name	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors</b>									
Rebecca Holland-Kennedy (resigned 22 October 21 as Managing Director and 25 November 21 as NED)	58,004	18,182	12,170	79,877	24,739	57,841	91,324	-	<b>195,850</b>
Mena Habib (appointed 9 July 21 as NED and 17 January 22 as Executive Director)	110,779	-	24,000	-	5,000	-	-	10,963	150,742
<b>Non-Executive Directors</b>									
Luis Kennedy (resigned 25 November 21)	8,966	-	-	-	897	-	-	-	9,862
Robert (Wei) Sun (resigned 7 July 21)	782	-	-	-	78	-	-	-	860
James Moses	35,463	-	60,000	-	682	-	-	4,337	100,482
David Turvey (appointed 7 July 21)	38,750	-	93,000	-	2,125	-	-	4,337	138,212
Stephen Ross (appointed 9 July 21)	44,196	-	59,500	-	1,000	-	-	6,196	110,892
<b>Total Key Management Personnel Compensation (Group)</b>	<b>296,941</b>	<b>18,182</b>	<b>248,670</b>	<b>79,877</b>	<b>34,520</b>	<b>57,841</b>	<b>91,324</b>	<b>25,833</b>	<b>853,188</b>

2021	Short-term employee benefits				Post-employment benefit	Long-term benefits	Termination benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Consulting Fees	Other					
Name	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors</b>									
Rebecca Holland-Kennedy – Managing Director	184,523	-	-	-	17,530	6,797	-	-	<b>208,850</b>
<b>Non-Executive Directors</b>									
Andre Wessels (resigned 25 November 20)	16,110	-	-	-	-	-	-	-	16,110
George Cumplido (resigned 7 August 20)	3,333	-	-	-	-	-	-	-	3,333
Luis Kennedy (appointed 7 August 20)	32,896	-	-	-	3,125	-	-	-	36,021
Robert (Wei) Sun (appointed 25 November 20 and resigned 8 July 21)	21,918	-	-	-	2,082	-	-	-	24,000
James Moses (appointed 5 May 21)	6,667	-	-	-	-	-	-	-	6,667
<b>Total Key Management Personnel Compensation (Group)</b>	<b>265,447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,737</b>	<b>6,797</b>	<b>-</b>	<b>-</b>	<b>294,981</b>

No Director or member of senior management appointed during the period received any payments during the year other than those detailed above.

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the month following the end of the financial year by the Remuneration Committee.

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2022	2021	2022	2021
<b>Executive Directors</b>				
Mena Habib	-	-	-	-
Rebecca Holland-Kennedy	-	100%	-	0%
<b>Non-Executive Directors</b>				
Luis Kennedy	-	-	-	-
Robert (Wei) Sun	-	-	-	-
James Moses	-	-	-	-
David Turvey	-	-	-	-
Stephen Ross	-	-	-	-

**(G) Service agreements**

Mena Habib is employed as Executive Director. The initial engagement commencing on 17 January 2022 was via a consultancy agreement for remuneration of \$18,333 plus GST per month. This agreement was replaced by an employment service contract which commenced on 1 April 2022. Terms of the employment contract include a \$220,000 per annum salary inclusive of superannuation, termination may be made by either party on providing 8 weeks' notice and termination benefits payable upon redundancy are in accordance with applicable industrial laws.

Non-executive directors are engaged via a letter of appointment. James Moses was engaged from 5 May 2021, David Turvey was engaged from 7 July 2021 and Stephen Ross and Mena Habib from 9 July 2021 as outlined previously. David Turvey was engaged to provide specific project consulting services from 1 October 2021. Stephen Ross and James Moses were also engaged to provide specific project consulting services from November 2021 and it is proposed that these agreements will end on 18 November at the 2022 AGM. There are no provisions for termination payments under the consulting service agreements.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

**(H) Share based compensation**

*Issue of Shares*

No ordinary shares in the Company were issued to directors or other key management personnel as part of compensation during the year ended 30 June 2022, except as a result of the exercise of options as disclosed in this section.

*Options*

No options over ordinary shares in the Company were granted to Directors or other key management personnel as part of compensation during the year ended 30 June 2022.

*Performance Rights*

During the year the Company granted performance rights to the Executive Director and Non-executive Directors which were approved by shareholders on 9 June 2022.

The terms and conditions of each grant of options and rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are:

Name	Number of performance rights granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per performance at grant date
Mena Habib	300,000	9 June 2022	9 June 2024	8 June 2027	\$0	\$0.4978
Mena Habib	400,000	9 June 2022	9 June 2025	8 June 2027	\$0	\$0.4983
Mena Habib	400,000	9 June 2022	9 June 2026	8 June 2027	\$0	\$0.4962
Stephen Ross	200,000	9 June 2022	9 June 2024	8 June 2027	\$0	\$0.4978
Stephen Ross	200,000	9 June 2022	9 June 2025	8 June 2027	\$0	\$0.4983
Stephen Ross	200,000	9 June 2022	9 June 2026	8 June 2027	\$0	\$0.4962
James Moses	140,000	9 June 2022	9 June 2024	8 June 2027	\$0	\$0.4978
James Moses	140,000	9 June 2022	9 June 2025	8 June 2027	\$0	\$0.4983
James Moses	140,000	9 June 2022	9 June 2026	8 June 2027	\$0	\$0.4962
David Turvey	140,000	9 June 2022	9 June 2024	8 June 2027	\$0	\$0.4978
David Turvey	140,000	9 June 2022	9 June 2025	8 June 2027	\$0	\$0.4983
David Turvey	140,000	9 June 2022	9 June 2026	8 June 2027	\$0	\$0.4962
<b>Total</b>	<b>2,540,000</b>					

Performance rights are exercisable by the holder from the vesting date, upon the satisfaction of conditions relating to share price performance.

Performance rights granted carry no dividends or voting rights. All performance rights were granted over unissued fully paid ordinary shares in the Company. The performance rights issued are for nil consideration and are exercisable for \$0. There has not been any alteration to the terms and conditions of the grant since the grant date.

**(I) Equity holdings**

*Shareholdings*

The number of shares in the company held during the financial year by each Director of Power Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2022 Name	Balance at the start of the year #	Received during the year on the exercise of options #	Additions	Other changes during the year #	Balance at the end of the year #
<b>Directors of Power Minerals Limited</b>					
<b>Ordinary shares</b>					
Rebecca Holland Kennedy (resigned 25 Nov 21)	2,933,525	680,056	-	(3,613,581) <sup>1</sup>	-
Luis Kennedy (resigned 25 Nov 21)	28,179	-	114,147	(142,326) <sup>1</sup>	-
Robert Wei Sun (resigned 8 Jul 21)	1,742	-	-	(1,742) <sup>1</sup>	-
James Moses	-	-	-	-	-
David Turvey (appointed 7 Jul 2021)	-	-	105,000	-	105,000
Mena Habib (appointed 9 Jul 2021)	335,321	-	85,000	-	420,321
Stephen Ross (appointed 9 Jul 2021)	-	-	-	-	-
<b>Other key management personnel of the Group</b>					
<b>Ordinary shares</b>					
None					

<sup>1</sup> Other includes balance of shares held on date of resignation

#### Option holdings

The number of options over ordinary shares in the company held during the financial year by each director, and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2022 Name	Balance at start of the year #	Options granted as compensation #	Exercised #	Lapsed / other #	Balance at end of the year #	Remuneration consisting of options for the year %
<b>Directors of Power Minerals Limited</b>						
<b>Options</b>						
Rebecca Holland-Kennedy (resigned 25 Nov 21)	924,389	-	(680,056)	(244,333) <sup>1</sup>	-	-
Robert Wei Sun (resigned 7 Jul 21)	-	-	-	-	-	-
Luis Kennedy (resigned 25 Nov 21)	7,000	-	-	(7,000) <sup>1</sup>	-	-
James Moses	-	-	-	-	-	-
David Turvey (appointed 7 Jul 2022)	-	-	-	-	-	-
Mena Habib (appointed 9 Jul 2022)	81,895	-	-	-	81,895	-
Stephen Ross (appointed 9 Jul 2022)	-	-	-	-	-	-
<b>Other key management personnel of the Group</b>						
<b>Options</b>						
None						

<sup>1</sup> Other includes balance of options held on date of resignation

There were 81,895 options over unissued ordinary shares held by Directors of Power Minerals Limited and other key management personnel at reporting date.

*Performance right holdings*

The number of performance rights over ordinary shares in the company held during the financial year by each director, and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

<b>2022 Name</b>	<b>Balance at start of the year</b>	<b>Performance rights granted as compensation</b>	<b>Exercised</b>	<b>Lapsed / other</b>	<b>Balance at end of the year</b>	<b>Remuneration consisting of rights for the year</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>%</b>
<b><i>Directors of Power Minerals Limited</i></b>						
<b>Performance rights</b>						
Rebecca Holland-Kennedy (resigned 25 Nov 21)	-	-	-	-	-	-
Robert Wei Sun (resigned 7 Jul 21)	-	-	-	-	-	-
Luis Kennedy (resigned 25 Nov 21)	-	-	-	-	-	-
James Moses	-	420,000	-	-	420,000	12.0%
David Turvey (appointed 7 Jul 2022)	-	420,000	-	-	420,000	10.6%
Mena Habib (appointed 9 Jul 2022)	-	1,100,000	-	-	1,100,000	9.5%
Stephen Ross (appointed 9 Jul 2022)	-	600,000	-	-	600,000	13.7%
<b><i>Other key management personnel of the Group</i></b>						
<b>Performance rights</b>						
None						

There were 2,540,000 performance rights over unissued ordinary shares held by Directors of Power Minerals Limited and other key management personnel at reporting date.

**(J) Other Transactions with Directors and key management personnel**

There were no loans or other transactions with Directors and key management personnel.

**End of Audited Remuneration Report**

### **Indemnification of officers and auditors**

Power Minerals Limited has entered into standard deeds of indemnity and access with each of the Directors. By these deeds, the Company has undertaken, consistent with the Corporations Act 2001, to indemnify each Director in certain circumstances and to maintain Directors' and officers' insurance cover in favour of the Director for seven years after the Director has ceased to be a Director. The Company has paid a premium for the period 1 July 2021 to 1 July 2022 to insure the Directors and officers of the Company, and a new premium covering to 1 July 2023 has been paid in July 2022. In accordance with the terms and conditions of the insurance policy, the amount of the premium paid has not been disclosed on the basis of confidentiality, which is permitted under section 300(9) of the Corporations Act 2001.

No indemnity was given in respect of the auditor, and no insurance premium was paid for such an indemnification.

### **Proceedings on behalf of the Company**

There are no proceedings on behalf of the Company at the date of this report.

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

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*.

### **Auditor**

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

### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 19 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

### **Officers of the company who are former partners of BDO Audit Pty Ltd**

There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

### **Auditor's independence declaration**

The auditor's independence declaration is included on page 21 of the annual financial report.

### **Resolution of Directors**

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Mena Habib  
Executive Director  
Adelaide  
20 September 2022

**DECLARATION OF INDEPENDENCE  
BY PAUL GOSNOLD  
TO THE DIRECTORS OF POWER MINERALS LIMITED**

As lead auditor of Power Minerals Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Power Minerals Limited and the entities it controlled during the period.



Paul Gosnold  
Director

**BDO Audit Pty Ltd**

Adelaide, 20 September 2022

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### Financial Report

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## Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
<b>Revenue from continuing operations</b>	7	<b>61,241</b>	<b>923</b>
<b>Other income</b>	7	<b>107</b>	<b>97,634</b>
<b>Foreign currency gain/(loss)</b>	7	<b>475,440</b>	<b>(36,949)</b>
<b>Expenses</b>			
Depreciation and amortisation		(18,315)	(11,305)
Employment and contractor costs		(539,200)	(432,264)
Termination benefits		(91,324)	-
Marketing and media		(33,897)	(7,906)
Compliance and regulatory expenses		(227,950)	(152,693)
Consulting fees		(131,959)	(88,609)
Legal fees		(226,496)	(235,837)
Operating expenses		(105,619)	(131,780)
Share based payments expenses	10	(25,833)	-
Interest expense		(1,465)	(2,117)
Asset impairment and write-downs		-	(39,172)
Impairment for credit losses		(118,572)	-
<b>Total expenses</b>		<b>(1,520,630)</b>	<b>(1,101,683)</b>
<b>Loss before tax</b>		<b>(983,842)</b>	<b>(1,040,075)</b>
Income tax benefit/(expense)	4	(62,678)	(63,168)
<b>Loss for the year</b>		<b>(1,046,520)</b>	<b>(1,103,243)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation	9	346,043	-
<b>Total other comprehensive income</b>		<b>346,043</b>	<b>-</b>
<b>Total comprehensive Loss for the year</b>		<b>(700,477)</b>	<b>(1,103,243)</b>
Attributable to:			
Members of Power Minerals Limited		(700,477)	(1,103,243)
		<b>(700,477)</b>	<b>(1,103,243)</b>
<b>Earnings per share for loss attributable to the ordinary equity holders of the company:</b>			
Basic loss (cents per share)	11	(1.9)	(3.4)
Diluted loss (cents per share)	11	(1.9)	(3.4)

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

**Consolidated statement of financial position  
as at 30 June 2022**

	Note	Consolidated	
		2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	3	3,588,298	2,979,869
Trade and other receivables		95,138	139,539
<b>Total current assets</b>		<b>3,683,436</b>	<b>3,119,408</b>
<b>Non-current assets</b>			
Trade and other receivables		113,595	-
Exploration and evaluation expenditure	5	23,522,356	18,577,983
Intangible assets	6	-	2,293,428
Right of use asset		8,404	33,615
Property, plant and equipment		112,655	1,997
<b>Total non-current assets</b>		<b>23,757,010</b>	<b>20,907,023</b>
<b>Total assets</b>		<b>27,440,446</b>	<b>24,026,431</b>
<b>Current liabilities</b>			
Trade and other payables		221,447	188,511
Lease liabilities		6,790	24,970
Employee benefits		51,142	175,337
<b>Total current liabilities</b>		<b>279,379</b>	<b>388,818</b>
<b>Non-current liabilities</b>			
Lease liabilities		-	8,598
Employee benefits		3,830	-
<b>Total non-current liabilities</b>		<b>3,830</b>	<b>8,598</b>
<b>Total liabilities</b>		<b>283,209</b>	<b>397,416</b>
<b>Net assets</b>		<b>27,157,237</b>	<b>23,629,015</b>
<b>Equity</b>			
Issued capital	8	40,951,692	35,779,326
Reserves	9	2,695,146	3,292,770
Retained earnings		(16,489,601)	(15,443,081)
<b>Total equity attributable to equity holders of the Company</b>		<b>27,157,237</b>	<b>23,629,015</b>

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

**Consolidated statement of changes in equity  
for the financial year ended 30 June 2022**

Consolidated	Issued capital \$	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2021</b>	<b>35,779,326</b>	<b>3,292,770</b>	<b>(15,443,081)</b>	<b>23,629,015</b>
Profit / (Loss) after income tax expense	-	-	(1,046,520)	(1,046,520)
Other comprehensive income, net of tax	-	346,043	-	346,043
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>346,043</b>	<b>(1,046,520)</b>	<b>(700,477)</b>
Issue of shares, net of transaction costs and tax	3,448,866	-	-	3,448,866
Share based payments	-	779,833	-	779,833
Transfer from reserves	1,723,500	(1,723,500)	-	-
<b>Balance at 30 June 2022</b>	<b>40,951,692</b>	<b>2,695,146</b>	<b>(16,489,601)</b>	<b>27,157,237</b>

Consolidated	Issued capital \$	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2020</b>	<b>31,553,476</b>	<b>820,729</b>	<b>(14,339,838)</b>	<b>18,034,367</b>
Profit / (Loss) after income tax expense	-	-	(1,103,243)	(1,103,243)
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>(1,103,243)</b>	<b>(1,103,243)</b>
Issue of shares, net of transaction costs and tax	3,674,600	-	-	3,674,600
Capital received in advance of shares issued	-	306,000	-	306,000
Share based payments	551,250	2,166,041	-	2,717,291
<b>Balance at 30 June 2021</b>	<b>35,779,326</b>	<b>3,292,770</b>	<b>(15,443,081)</b>	<b>23,629,015</b>

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

**Consolidated statement of cash flows  
for the financial year ended 30 June 2022**

	Note	Consolidated	
		2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		63,521	-
COVID-19 Government funding		-	96,634
Payments to suppliers and employees (inclusive of GST)		(1,160,742)	(1,001,074)
<b>Net cash from operating activities</b>	3	<b>(1,097,221)</b>	<b>(904,440)</b>
<b>Cash flows from investing activities</b>			
Interest received		2,477	923
Payments for exploration and evaluation activities		(2,298,170)	(539,790)
Payments for property, plant and equipment		(118,750)	-
<b>Net cash from investing activities</b>		<b>(2,414,443)</b>	<b>(538,867)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of equity securities		4,390,901	4,570,998
Costs of issuing shares		(250,714)	(229,703)
Repayment of Director Loans		-	(50,000)
Repayment of lease liabilities		(26,779)	(16,153)
<b>Net cash from financing activities</b>		<b>4,113,408</b>	<b>4,275,142</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>601,744</b>	<b>2,831,835</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>2,979,869</b>	<b>148,034</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>6,685</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	3	<b>3,588,298</b>	<b>2,979,869</b>

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

## **Notes to the Financial Statements**

### **Structure of Notes and materiality**

Note disclosures are split into five sections shown below to enable a better understanding of how the Group performed.

#### **General information**

1. General information
2. Significant accounting policies

#### **Business performance**

3. Cash
4. Taxation
5. Exploration and evaluation expenditure
6. Intangible Assets
7. Revenue and other income

#### **Capital**

8. Issued capital
9. Reserves
10. Share based payments
11. Earnings per share

#### **Structures**

12. Parent entity information
13. Investment in subsidiaries
14. Business and geographical segments

#### **Unrecognised items and additional information**

15. Financial risk management
16. Related party transactions
17. Commitments for expenditure
18. Subsequent events
19. Remuneration of auditors

Accounting policies and critical accounting judgements applied to the preparation of financial statements have been moved to the relevant section.

Information is only being included in the Notes to the extent that it has been considered material and relevant to the understanding of the financial statements.

## Note 1 General Information

This financial report covers the consolidated financial statements for the consolidated entity consisting of Power Minerals Limited (the “Company” or “Parent”) and its controlled entities (the “Group” or the “consolidated entity”).

The Company name changed to Power Minerals Limited from PepinNini Minerals Limited on 10 June 2022.

### Registered office and principal place of business:

6/68 North Terrace

KENT TOWN SA 5067

☎: +61 (0)8 8218 5000

Email: admin@powerminerals.com.au

Power Minerals Limited was incorporated in Australia and is domiciled in Australia.

A description of the nature of the consolidated entity’s operations and its principal activities is included in the review of operations and activities in the Directors’ report, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 20 September 2022. The Group has the power to amend and reissue the financial report.

## Note 2 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Power Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

#### (iii) Critical accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in the respective notes:

(a) *Exploration and evaluation expenditure (note 5)*

(b) *Share based payments (note 10)*

#### (iv) Reclassification

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified to ensure comparability.

#### (v) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. This includes the realisation of capitalised exploration expenditure of \$23,522,356 (30 June 2021: \$18,577,983).

The Group has incurred a loss after tax for the year of \$1,046,520 (2021: \$1,103,243) and operations were funded by a net cash outflow of \$1,097,221 (2021 outflow: \$904,440).

## **Note 2 Significant accounting policies (continued)**

The financial statements do not include any adjustments that may be necessary if the consolidated entity is unable to continue as a going concern.

### *(vi) Principles of consolidation*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2022 and the results for all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances between Group companies are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

There are no significant restrictions on the ability of Power Minerals Limited to access or use assets, and settle liabilities of any of the controlled entities.

### *(vii) Parent entity information*

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 12.

### **(b) Adoption of new and revised Accounting Standards**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There are no standards issued but not yet effective that are expected to have a material impact on the entity in future reporting periods or on foreseeable future transactions.

### **(c) Goods and services tax**

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

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

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

### **(d) Foreign currency translation**

The financial statements are presented in Australian dollars, which is Power Minerals Limited's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed.

## Business performance

### Note 3 Cash

#### Cash and cash equivalents

Cash on hand  
Cash at bank  
Cash on deposit

#### Balance at end of period

Consolidated	
2022	2021
\$	\$
2,231	4,843
2,604,272	1,674,215
981,795	1,300,811
<b>3,588,298</b>	<b>2,979,869</b>

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Reconciliation of loss after income tax to net cash outflow from operating activities, and non-cash activities

Loss for the year after tax

#### *Non-cash items*

Depreciation and amortisation expensed  
(Gain)/loss on disposal of PPE  
Impairment of exploration assets  
Share based payments expense

#### *Items not classified as operating*

Interest income  
Income tax expense

#### *Changes in net assets and liabilities*

(Increase) / decrease in assets:

Trade and other receivables

Increase / (decrease) in liabilities:

Trade and other payables

Employee benefits liabilities

**Net cash outflow from operating activities**

Consolidated	
2022	2021
\$	\$
(1,046,520)	(1,103,243)
18,315	13,422
1,573	-
-	39,172
25,833	-
(2,477)	(923)
62,678	63,168
(69,194)	61,837
32,936	22,127
(120,365)	-
<b>(1,097,221)</b>	<b>(904,440)</b>

**Note 4 Taxation**

Power Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Deferred tax assets for deductible temporary differences and unused tax losses have not been recognised as it is not probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred income tax is determined using a tax rate applicable at the end of the reporting period and expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Loss from continuing operations before income tax expense	(983,842)	(1,040,075)
Tax at the Australian tax rate of 25% (2021: 26%)	(245,961)	(270,420)
Non-deductible expenses	7,016	-
Non-assessable income	-	(10,851)
Foreign loss/(gain) not recognised	(83,929)	-
Derecognise temporary differences	385,552	344,439
<b>Income tax expense</b>	<b>62,678</b>	<b>63,168</b>
Recognised directly in equity	<b>62,678</b>	<b>63,168</b>

**Tax losses not recognised**

Unused tax losses for which no deferred tax asset has been recognised:

Revenue losses	39,384,014	33,723,283
Capital losses	5,840,531	5,840,531

## Note 5 Exploration and evaluation expenditure

### Movements in exploration and evaluation asset

	Consolidated	
	2022 \$	2021 \$
<b>Balance at beginning of period</b>	<b>18,577,983</b>	<b>18,077,365</b>
Additions	2,369,080	539,790
Reclassification of intangible asset	2,293,428	-
Foreign currency movement	281,865	-
Impairment	-	(39,172)
<b>Balance at end of period</b>	<b>23,522,356</b>	<b>18,577,983</b>

The Group capitalises and carries forward exploration and evaluation expenditure incurred (e.g. payments for tenement acquisition and maintenance, analytical, geological, geophysical, exploration related personnel, drilling and results analysis, and an allocation of exploration overhead) where the rights of tenure of the area of interest are current and expenditures are expected to be recouped through:

- I. successful development and commercial exploitation of the area of interest; or
- II. by its sale or exploration; or
- III. evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits an assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost, and have an indefinite life (the useful life ends at an indeterminate time when future decisions are made to sell, transfer, develop and exploit, or discontinue the use of these assets). The Impairment expense during the previous year relates to areas of interest in Argentina that will not be progressed any further.

Details of the statutory expenditure commitments for granted exploration tenements are disclosed in note 17.

### Critical accounting estimates and judgements: Impairment of exploration and evaluation asset

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the income statement.

## Note 6 Intangible assets

	Consolidated	
	2022 \$	2021 \$
<b>Intangible assets – license applications</b>		
<b>Balance at beginning of period</b>	<b>2,293,428</b>	-
Additions	-	2,293,428
Reclassification to exploration and evaluation assets	(2,293,428)	-
<b>Balance at end of period</b>	<b>-</b>	<b>2,293,428</b>

In April 2021, the Group acquired 100% of Hillside Minerals Pty Ltd (Hillside). Hillside was acquired for the following consideration, valued at a total of \$2,293,428:

- 1,200,000 options, valued at \$324,677 (refer note 10)
- 6,250,000 ordinary shares, valued at \$1,968,751 (refer note 10)

### Note 6 Intangible assets (continued)

On acquisition, Hillside held two exploration licence applications for tenements on the Eyre Peninsula in South Australia. As at 30 June 2021, the licenses remained in the application phase, and as such the value was not capitalised to exploration and evaluation assets because no active right to tenure was present. Rather, the value was recorded as an intangible asset. In November 2021, the licenses were formally approved and an active right to tenure was established. Accordingly, the value has been reclassified to exploration and evaluation assets for the year ended 30 June 2022.

### Note 7 Revenue and other income

The Group's revenue for the year is as follows:

	Consolidated	
	2022 \$	2021 \$
<b>Revenue from continuing operations</b>		
Interest	2,477	923
Revenue from customers	58,764	-
<b>Total</b>	<b>61,241</b>	<b>923</b>
<b>Other income</b>		
Administrative services income	107	1,000
Government grants - Covid subsidies	-	96,634
<b>Total</b>	<b>107</b>	<b>97,634</b>
<b>Foreign currency gain/(loss)</b>		
Foreign currency gain/(loss) on exchange movements	475,440	-
<b>Total</b>	<b>475,440</b>	<b>-</b>

#### *Interest income*

Interest income is recognised using the effective interest method.

#### *Revenue from customers*

Revenue is measured at the amount the Group expects to be entitled to in exchange for those goods or services and is recognised at the point at which control of the goods or services is transferred to the customer.

#### *Government grants*

Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors. Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

## Capital

### Note 8 Issued capital

#### Movements in share capital

	2022		2021	
	No.	\$	No.	\$
<b>Fully paid ordinary shares</b>				
Balance at beginning of financial year	<b>44,828,674</b>	<b>35,779,326</b>	<b>1,626,651,402</b>	<b>31,553,476</b>
Issue of shares (prior to consolidation)	-	-	205,000,000	205,000
Share consolidation (100 to 1)	-	-	(1,813,334,302)	-
Issue of shares (post consolidation)	14,236,843	5,423,500	22,664,578	3,621,556
Issue of shares on the exercise of options	2,451,348	690,901	3,846,996	989,692
Share issue costs	-	(1,004,713)	-	(653,566)
Tax effect on issue costs	-	62,678	-	63,168
<b>Balance at end of financial year</b>	<b>61,516,865</b>	<b>40,951,692</b>	<b>44,828,674</b>	<b>35,779,326</b>

#### Share buy-back

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

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up of the Group in proportion to the number of and amounts paid on the shares held. All issued ordinary shares carry one vote per share. Ordinary shares have no par value and the company does not have a limited amount of authorised capital. Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Capital risk management

The Group considers its capital to comprise its ordinary share capital and accumulated losses as shown in the Consolidated statement of changes in equity. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern. To ensure this the group monitors capital to ensure the company has appropriate cash and cash equivalents to meet needs, and may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

## Note 9 Reserves

### Movements in reserves

Consolidated	Prepaid share reserve	Equity settled employee benefits reserve	Share based payments reserve	Foreign currency translation reserve	Total reserves
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>306,000</b>	<b>594,444</b>	<b>2,392,326</b>	-	<b>3,292,770</b>
Translation of foreign operations	-	-	-	346,043	346,043
<b>Total comprehensive (loss)/income</b>	-	-	-	<b>346,043</b>	<b>346,043</b>
Transfer to issued capital	(306,000)	-	(1,417,500)	-	(1,723,500)
Share based payments	-	25,833	754,000	-	779,833
<b>Balance at 30 June 2022</b>	-	<b>620,277</b>	<b>1,728,826</b>	<b>346,043</b>	<b>2,695,146</b>
<b>Balance at 1 July 2020</b>	-	<b>594,444</b>	<b>226,285</b>	-	<b>820,729</b>
Translation of foreign operations	-	-	-	-	-
<b>Total comprehensive (loss)/income</b>	-	-	-	-	-
Capital received in advance	306,000	-	-	-	306,000
Share based payments	-	-	2,166,041	-	2,166,041
<b>Balance at 30 June 2021</b>	<b>306,000</b>	<b>594,444</b>	<b>2,392,326</b>	-	<b>3,292,770</b>

#### *Prepaid share reserve*

This reserve is used to recognise share placement cash received where the associated shares are not issued before the end of the reporting period. Prepaid share amounts are transferred to issued capital when the shares are subsequently issued.

#### *Equity settled employee benefits reserve*

This reserve is used to recognise the fair value at grant date of share options granted to executives and employees. The fair value is expensed over the vesting period of the share options. Details of equity settled employee benefits are disclosed in note 10.

#### *Share based payments reserve*

This reserve is used to recognise the fair value at grant date of other equity settled transactions. The fair value is capitalised or expensed over the vesting period of the shares or options. Details of share based payments are disclosed in note 10.

#### *Foreign currency translation reserve*

This reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. The functional currency of Power Minerals Limited's controlled subsidiary, PepinNini Sociedad Anonima, changed from Australian dollars to US Dollars from 1 July 2021 as a result of the commencement of significant exploration activities denominated mainly in US dollars at that time.

### Note 10 Share based payments

During the financial year the company recognised the following amounts from equity-settled share-based payment transactions for the acquisition of goods and services:

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Expensed to profit and loss	25,833	-
Capitalised as asset	-	2,293,428
Capitalised as equity	754,000	423,863
<b>Total</b>	<b>779,833</b>	<b>2,717,290</b>
<b>And credited to:</b>		
Issued capital	-	551,250
Performance rights reserve	25,833	-
Share based payments reserve	754,000	2,166,040
<b>Total</b>	<b>779,833</b>	<b>2,717,290</b>

### Employee share option scheme

Power Minerals Limited has an employee share option scheme where options may be granted over the ordinary shares of Power Minerals Limited to directors and executives as part of a remuneration package offered for employment at the discretion of management.

No options under this scheme were carried forward from the previous year or granted during the year ended 30 June 2022 (2021: Nil). Set out below is a summary of options under the Employee Share Options Scheme:

Grant Date	Vesting Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
			Cents	Number	Number	Number	Number	Number	Number	Number
<b>Consolidated and company – 2022</b>										
NIL options										
<b>Consolidated and company – 2021</b>										
21 Jan 16	21 Jan 18	31 Jan 21	10.0	100,000	-	-	-	100,000	-	-
10 Nov 17	10 Nov 17	09 Nov 20	4.0	4,250,000	-	-	-	4,250,000	-	-
16 Mar 18	16 Mar 18	16 Mar 21	5.0	1,050,000	-	-	-	1,050,000	-	-
16 Mar 18	16 Mar 19	16 Mar 22	7.0	300,000	-	(300,000)	-	-	-	-
16 Mar 18	16 Mar 20	16 Mar 23	9.0	300,000	-	(300,000)	-	-	-	-
09 Mar 20	09 Mar 20	09 Mar 23	0.5	20,000,000	-	(20,000,000)	-	-	-	-
22 Jun 20	22 Jun 20	22 Jun 23	0.5	20,000,000	-	(20,000,000)	-	-	-	-
<b>TOTAL</b>				<b>46,000,000</b>	<b>-</b>	<b>(40,600,000)</b>	<b>-</b>	<b>5,400,000</b>	<b>-</b>	<b>-</b>
Weighted average exercise price of options				1.0c	-	0.6c	-	4.3c	-	-

## Note 10 Share based payments (continued)

### Directors performance rights

On 9 June 2022, shareholders approved the issue of 2,540,000 performance rights to key management personnel at an issue price of \$0 per right and a total transactional value of \$1,263,444, of which \$25,833 was recognised as a share based payment expense in the year ended 30 June 2022. The rights were granted over ordinary shares of Power Minerals Limited for nil consideration and can only be exercised upon the achievement of both time and market-based share price vesting conditions. Directors must still be employed or engaged by the company on the vesting date, else the right lapses. Each right converts into one ordinary share of Power Minerals Limited on exercise. No amounts are paid or payable by the recipient on receipt of the right. The performance rights carry neither rights to dividends nor voting rights. Details are disclosed in the Remuneration report pages 11-19.

No performance rights were exercised during the year ended 30 June 2022 (2021: Nil).

The weighted average remaining contractual life of the performance rights outstanding at the end of the period was 59 months (2021: 0 months). Below is a summary of performance rights:

Grant Date	Vesting Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
			\$	Number	Number	Number	Number	Number	Number	Number
<b>Consolidated and company – 2022</b>										
9 Jun 22	TBD	8 Jun 27	\$0.00	-	780,000	-	-	-	780,000	-
9 Jun 22	TBD	8 Jun 27	\$0.00	-	880,000	-	-	-	880,000	-
9 Jun 22	TBD	8 Jun 27	\$0.00	-	880,000	-	-	-	880,000	-
<b>TOTAL</b>				-	<b>2,540,000</b>	-	-	-	<b>2,540,000</b>	-
Weighted average exercise price of options				-	\$0.00	-	-	-	\$0.00	-

<b>Consolidated and company – 2021</b>										
Nil options										

### Fair value of performance rights granted

The fair value of the rights granted is recognised as an expense, with a corresponding increase in equity. The fair value is measured at grant date and is recognised over the period during which it is expected that the directors will become unconditionally entitled to the share.

The fair value at grant date is determined using a Binomial option pricing model. The fair value of the rights granted uses market prices for shares and is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of rights that are expected to become exercisable. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

For performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Vesting Date	Exercisable from date	Expiry Date	Share price at grant date	10 day VWAP price hurdle	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
				\$	\$	\$	%	%	%	\$
9 Jun 22	TBD	9 Jun 24	8 Jun 27	\$0.50	\$1.20	\$0	204.5%	0%	2.775%	\$0.4978
9 Jun 22	TBD	9 Jun 25	8 Jun 27	\$0.50	\$1.50	\$0	234.6%	0%	3.12%	\$0.4983
9 Jun 22	TBD	9 Jun 26	8 Jun 27	\$0.50	\$2.00	\$0	216.8%	0%	3.33%	\$0.4962

## Note 10 Share based payments (continued)

### Other share based payments

#### Shares

4,500,000 shares were issued during the year for payment of asset acquisition (2021: 1,750,000). The shares were issued upon the granting of exploration licences at a price of \$0.315 which represented the share price on the day that the Company and vendor agreed to this arrangement. The fair value of these shares was recognised as a share based payment in the previous year's financial statements, and was transferred from the Share based payments reserve to Issued capital during the current year.

#### Options

2,000,000 options were granted during the year for payment of services (2021: 2,500,000).

The weighted average remaining contractual life of share options for Other share based payments outstanding at the end of the period was 21 months (2021: 22 Months).

#### Fair value of options granted

2,000,000 options were granted in the 2022 financial year (2021: 2,500,000). The weighted average fair value of options granted during the year was \$0.25 per option (2021: \$0.25).

For options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Vesting Date	Expiry Date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
			\$	\$	%	%	%	\$
9 Jun 22	9 Jun 22	31 Dec 24	\$0.50	\$0.76	185.0%	0%	2.95%	\$0.377

Below is a summary of options for other share based payments:

Grant Date	Vesting Date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Share Consolidation	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
			\$	#	#	#	#	#	#	#
<b>Consolidated and company – 2022</b>										
6 May 19	6 May 19	30 Nov 22	\$0.80	510,000	-	-	-	-	510,000	510,000
27 Sep 19	27 Sep 19	30 Nov 22	\$0.80	240,000	-	-	-	-	240,000	240,000
26 Nov 20	26 Nov 20	31 Dec 23	\$0.25	2,500,000	-	-	(766,329)	-	1,733,671	1,733,671
07 Apr 21	9 Nov 21	31 Dec 23	\$0.35	1,200,000	-	-	-	-	1,200,000	1,200,000
9 Jun 22	9 Jun 22	31 Dec 24	\$0.76	-	2,000,000	-	-	-	2,000,000	2,000,000
<b>TOTAL</b>				<b>4,450,000</b>	<b>2,000,000</b>	<b>-</b>	<b>(766,329)</b>	<b>-</b>	<b>5,683,671</b>	<b>5,683,671</b>
Weighted average exercise price of options				\$0.37	\$0.76				\$0.52	\$0.52
<b>Consolidated and company – 2021</b>										
6 May 19	6 May 19	30 Nov 22	\$0.80	51,000,000	-	50,490,000	-	-	510,000	510,000
27 Sep 19	27 Sep 19	30 Nov 22	\$0.80	24,000,000	-	23,760,000	-	-	240,000	240,000
26 Nov 20	26 Nov 20	31 Dec 23	\$0.25	-	2,500,000	-	-	-	2,500,000	2,500,000
07 Apr 21	9 Nov 21	31 Dec 23	\$0.35	-	1,200,000	-	-	-	1,200,000	-
<b>TOTAL</b>				<b>75,000,000</b>	<b>3,700,000</b>	<b>74,250,000</b>	<b>-</b>	<b>-</b>	<b>4,450,000</b>	<b>3,250,000</b>
Weighted average exercise price of options				\$0.80	\$0.28				\$0.37	\$0.38

## Note 11 Earnings per share

Basic earnings per share is calculated by dividing:

- i) the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, and
- ii) the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- i) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- ii) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Total basic loss per share attributable to the ordinary equity holders of the company

Total diluted loss per share attributable to the ordinary equity holders of the company

Loss attributable to the ordinary equity holders of the company used in calculating basic earnings per share

<b>Consolidated</b>	
<b>2022</b>	<b>2021</b>
<b>Cents</b>	<b>Cents</b>
<b>(1.9)</b>	<b>(3.4)</b>
<b>(1.9)</b>	<b>(3.4)</b>
<b>(\$1,046,520)</b>	<b>(\$1,103,243)</b>

Weighted average number of shares used as the denominator for both basic and diluted loss per share is 54,246,477 (2021: 33,443,011). A total of 12,455,499 options (2021: 9,546,255) have not been included in the calculation of diluted loss per share as they are anti-dilutive.

## Structure

### Note 12 Parent entity information

	Parent	
	2022	2021
	\$	\$
<b>Statement of Financial Position</b>		
Current assets	3,498,969	2,901,008
<b>Total assets</b>	<b>21,139,966</b>	<b>18,311,820</b>
Current liabilities	(206,415)	(259,931)
<b>Total liabilities</b>	<b>(210,245)</b>	<b>(253,121)</b>
Shareholders' equity		
Issued capital	40,951,692	35,779,327
Prepaid share reserve		306,000
Share Based Payment Reserve	1,728,826	1,742,178
Equity settled employee benefits reserve	620,277	1,244,591
Retained earnings	(22,371,074)	(21,013,398)
<b>Total shareholders' equity</b>	<b>20,929,721</b>	<b>18,058,698</b>
<b>Profit or loss for the year</b>	<b>(1,353,541)</b>	<b>(552,978)</b>
<b>Total comprehensive income</b>	<b>(1,353,541)</b>	<b>(552,978)</b>

The financial information for the parent entity, Power Minerals Limited, disclosed above have been prepared on the same basis as the consolidated financial statements, except as set out below:

#### *Investments in subsidiaries*

Investments in subsidiaries are accounted for at cost less impairment in the financial statements of Power Minerals Limited.

#### *Tax consolidation legislation*

Details of tax consolidation treatment are disclosed in note 4.

#### *Contingent liabilities*

The Company has not provided any financial guarantees as at 30 June 2022 and has no contingent liabilities as at 30 June 2022 (2021: none).

### Note 13 Investments in subsidiaries

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

Name of subsidiary	Country of incorporation	Ownership interest	
		2022 %	2021 %
NiCul Minerals Ltd*	Australia	100	100
PepinNini Resources Curnamona Pty Ltd*	Australia	100	100
PepinNini Robinson Range Pty Ltd*	Australia	100	100
PepinNini Minerals International Pty Ltd*	Australia	100	100
PepinNini QLD Pty Ltd*	Australia	100	100
PepinNini Kaolin Pty Ltd*	Australia	100	100
PepinNini Sociedad Anonima	Argentine Republic	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

\* These companies are members of the tax-consolidated group. Power Minerals Limited is the head entity within the tax consolidated group.

### Note 14 Business and geographical segments

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The chief operating decision-makers have been identified as the board of Directors consisting of executive and non-executive Directors.

The operating segments are identified by management based on the nature of the commodity to be sold. Discrete financial information about operating businesses is reported to the executive management (executive Directors) on at least a monthly basis. The Group operates in one segment, being mineral exploration and development.

#### Non-current operating assets

Australia  
Argentina

**Total**

Consolidated	
2022	2021
\$	\$
15,480,530	12,437,807
8,041,826	6,140,176
<b>23,522,356</b>	<b>18,577,983</b>

## Unrecognised items and additional information

### Note 15 Financial risk management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis of interest rate, foreign exchange and other price risks.

Risk management is carried out by the board of Directors who provide principles for overall risk management.

The Group holds the following financial instruments:

	Note	Consolidated	
		2022	2021
		\$	\$
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	3	3,588,298	2,979,869
Trade and other receivables		208,733	136,171
		<b>3,797,031</b>	<b>3,116,040</b>
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	*	(221,447)	(188,510)
Lease Liability		(6,790)	(33,568)
		<b>(228,237)</b>	<b>(222,078)</b>

\*Trade and other payables amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Most of the Group's financial liabilities are due to be settled within 6 months. Consequently, no discounting has been applied for the time value of money, and the total contractual cash flows are equal to the carrying amounts of trade and other payables.

#### Market risk

##### *Commodity price risk*

Changes in commodity prices may impact the Group's projected cash flows in future years and may impact the assessment of the carrying value of its assets. However, given the Company is not yet in production, changes in commodity prices do not currently impact the Group's profit or loss or its cash flows.

##### *Interest rate risk*

Exposure arises from assets bearing variable interest rates. With consideration of the cash balance at 30 June 2022 and the Group's intention to hold fixed rate assets to maturity, the impact of interest rate risk is considered to be immaterial.

##### *Currency risk*

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The group operates internationally and is exposed to foreign exchange risk arising from fluctuations in the United States Dollar and Argentine Peso. The Group manages USD foreign exchange risk by transferring committed USD project funds in a US dollar bank account to fix the exchange rate and avoid the effects of future exchange movements. The Group manages Argentine Peso foreign exchange risk by minimising the amount of funds held in Argentine Pesos denominated bank accounts.

As at 30 June 2022 and 2021, the Group had immaterial exposure to foreign currency and financial assets and financial liabilities outstanding are not sensitive to changes in exchange rates.

## Note 15 Financial risk management (continued)

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations and arises principally from the Group's receivables, cash and cash equivalents and bank term deposits. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents (note 3) and trade and other receivables.

Trade receivables are regularly reviewed. An impairment analysis is performed at each reporting date by assessing the expected credit loss of outstanding receivable balances. As at 30 June 2022, the group had provisions of \$118,572 (2021: \$0) for expected credit losses.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	Consolidated		
	< 1year \$	>1-<5 years \$	Total \$
<b>Financial Liabilities</b>			
Trade and Other Payables	221,447	-	221,447
Lease Liabilities	6,790	-	6,790
	<b>228,237</b>	<b>-</b>	<b>228,237</b>

### Fair value estimation

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

## Note 16 Related party transactions

### Subsidiaries

Interests in subsidiaries are disclosed in note 13.

### Key management personnel

Compensation for key management personnel during the year was:

	Consolidated	
	2022 \$	2021 \$
Short-term employee benefits	734,994	265,447
Long-term benefits	57,841	6,797
Post-employment benefits	34,520	22,737
Share-based payments – equity settled	25,833	-
	<b>853,188</b>	<b>294,981</b>

Detailed remuneration information is disclosed in the remuneration report on pages 11 to 19.

## Note 16 Related party transactions (continued)

### Loans to/from related parties

There were no loans from related parties at the reporting date (2021: NIL).

### Terms and conditions

Transactions relating to dividends and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

## Note 17 Commitments for expenditure

### Capital expenditure commitments

	Consolidated	
	2022 \$	2021 \$
<b>Granted exploration tenement statutory expenditure commitments, payable:</b>		
Not longer than 1 year	332,500	300,000
Longer than 1 year and not longer than 5 years	775,000	750,000
Longer than 5 years	175,000	150,000
	<b>1,282,500</b>	<b>1,200,000</b>

## Note 18 Subsequent events

On 14 September 2022 Power Minerals announced (ASX Announcement) a placement raising approximately \$5.5 million from sophisticated, professional and institutional investors. The placement consists of up to 10,576,924 ordinary fully paid shares at an issue price of \$0.52 per share. This excludes participation by Directors involving 86,539 shares which will only be issued subject to shareholder approval at the 2022 AGM. The shares (with the exception of the Directors' participation) are scheduled to be issued on or about 21 September 2022.

Power Minerals entered into an agreement with GBA Capital as the Lead Manager Engagement for the brokerage and underwriting services for this placement. This included the issue of 1,500,000 unquoted options, at an exercise price of \$1.04, expiring on or before 31 December 2024, which is subject to shareholder approval.

There has been no other matter or circumstance that has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

- a) the Group's operations in future financial years, or
- b) the results of those operations in future financial years, or
- c) the Group's state of affairs in future financial years.

## Note 19 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company, and its network firms:

	Consolidated	
	2022 \$	2021 \$
<b>Auditor of the parent entity</b>		
<b>Audit services - BDO Audit (SA) Pty Ltd</b>		
Audit or review of the financial report	36,500	29,000
<b>Other services - network firms - BDO Audit (WA) Pty Ltd</b>		
Remuneration review	23,883	-

## **Directors' declaration**

In accordance with a resolution of the Directors of Power Minerals Limited, I state that:

1. In the opinion of the Directors:
  - a. The financial statements and notes of Power Minerals Limited for the financial year ended 30 June 2022 are 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 2022 and of its performance for the year ended on that date; and
    - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
  - b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.
  - c. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

*On behalf of the Board*



*Mena Habib  
Executive Director  
Melbourne, 20 September 2022*

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER MINERALS LIMITED

### Report on the Audit of the Financial Report

#### Opinion

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

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Key audit matters

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

## Recoverability of exploration and evaluation assets

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>As at 30 June 2022 the carrying value of Exploration and Evaluation Assets was \$23,522,356 as disclosed in note 5.</p> <p>The recoverability of the exploration and evaluation assets was considered a key audit matter due to:</p> <ul style="list-style-type: none"> <li>The carrying value of exploration and evaluation expenditure representing a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed the recoverable amount; and</li> <li>Determining whether impairment indicators exist involves significant judgement by management.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Obtaining a schedule of the areas of interest held by the Group and assessing whether the right to tenure of those areas of interest remain current and in good standing at reporting date;</li> <li>Ensuring the right to tenure of the areas of interest was current through confirmation with the relevant government departments or external legal counsel;</li> <li>Reviewing budgets and assessing assumptions made by the Group to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the areas of interest were planned;</li> <li>Reviewing ASX announcements and minutes of directors meetings to ensure that the Group had not decided to discontinue activities in any of its areas of interest; and</li> <li>Considering whether any facts or circumstances existed to suggest impairment testing was required;</li> </ul> <p>We also assessed the adequacy of the related disclosures in note 5 to the Financial Statements.</p>

## Share based payments

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>During the financial year ended 30 June 2022, the Group granted performance rights to key management personnel and options to third parties in consideration for services provided.</p> <p>Refer to Note 10 of the financial report for a description of the accounting policy, the significant estimates and judgements applied to these arrangements and for disclosure of the arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments in accordance with AASB 2 Share Based Payments, we consider the Group's calculation of the share-based payments expense and disclosures to be a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>Reviewing market announcements and board meeting minutes to ensure all share based payments have been recognised;</li> <li>Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements;</li> <li>Evaluating management's methodology for calculating the fair value of the share-based payments, including assessing the valuation inputs using internal specialists where appropriate; and</li> <li>Reviewing the adequacy of the Group's disclosures in respect of the accounting treatment of share-based payments in the financial statements, including the significant judgments involved, and the accounting policy adopted.</li> </ul>

## **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

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

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

## **Responsibilities of the directors for the Financial Report**

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

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

## **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 11 to 19 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Power Minerals, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.



### Responsibilities

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

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit Pty Ltd**

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold  
Director

Adelaide, 20 September 2022

## Additional securities exchange information

As at 31 August 2022 there were **61,563,171** fully paid ordinary shares **PNN** held by **3,639** individual shareholders.

All issued ordinary shares carry one vote per share.

There is no current on-market buy-back.

### A. Distribution of equity securities

	Number of holders	Number of shares
1 – 1,000	1,808	454,718
1,001 – 5,000	864	2,314,373
5,001 – 10,000	332	2,587,824
10,001 – 100,000	548	17,561,446
100,001 and over	87	38,644,810
	<b>3,639</b>	<b>61,563,171</b>
Holding less than a marketable parcel	1,813	459,779

### B. Substantial shareholders

Ordinary shareholders	Fully paid ordinary shares	
	Percentage	Number
Trade Prestige Pty Ltd	5.36%	3,300,000
<b>Total</b>	<b>5.36%</b>	<b>3,300,000</b>

### C. Twenty largest holders of quoted equity securities

Ordinary Shareholders	Number	Percentage
TRADE PRESTIGE PTY LTD	3,300,000	5.36%
SEATTLE CAPITAL PTY LTD	2,083,334	3.38%
M & E EARTHMOVING PTY LTD	1,690,000	2.75%
BNP PARIBAS NOMINEES PTY LTD	1,624,186	2.64%
MR PETER ANDREW PROKSA	1,477,057	2.40%
S & N CURTAIN PTY LTD	1,427,500	2.32%
CITICORP NOMINEES PTY LIMITED	1,381,621	2.24%
MR PETER ANDREW PROKSA	1,250,000	2.03%
FORTE EQUIPMENT PTY LTD	1,150,000	1.87%
MS CHUNYAN NIU	1,133,931	1.84%
BR1 HOLDINGS PTY LTD (ACN 147 267 114)	1,073,134	1.74%
MR CON CARYDIAS	1,020,000	1.66%
MR GREGORY JOHN MUNYARD & MRS MARIA ANN MUNYARD & MISS CARMEN HELENE MUNYARD	925,400	1.50%
KALINDA OUTLOOK PTY LTD	849,904	1.38%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	731,390	1.19%
SABA NOMINEES PTY LTD	700,374	1.14%
MR JIANG YU	670,000	1.09%
T C DRAINAGE (WA) PTY LTD	650,000	1.06%
JULIA AUSTRALIA PTY LTD	615,000	1.00%
MR CONSTANTINE SPILIOPOULOS	525,272	0.85%
<b>Total</b>	<b>24,278,103</b>	<b>39.44%</b>