ANNUAL REPORT 2021

North Stawell Minerals Ltd

ACN 633 461 453

CONTENTS

Chairman's letter 3
Directors' report 7
Auditor's Independence Declaration 19
Financial statements 21
- Statement of profit or loss and other comprehensive income 22
- Statement of financial position 23
- Statement of changes in equity 24
- Statement of cash flows 25

Notes to the financial statements 26
Directors' declaration 46
Independent Auditor's Report 48
Shareholder information 50

CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to provide our Annual Report for the FY2021, indeed our first since listing on 24 September 2020.

Our first year has been testing with the regular challenges of starting a new listed company, dealing with unexpected management changes, and the ever-changing constraints imposed due to the pandemic.

In July we were fortunate to recruit the highly experienced Russell Krause as CEO and Bill Reid to head up our Exploration team who will drive the day-to-day activities of the company on behalf of the Board. During the last year our geological knowledge has been significantly enhanced by recent geophysical and geochemical surveys of our tenements and the company has built a strong pipeline of new, priority drill targets, many of which have never been drilled before. We are looking forward to the upcoming drilling season with great excitement and aim to make a new high-grade discovery.

We are fortunate to have strong support from our major shareholders and Stawell Gold Mine. Our relationship with Stawell Gold Mine is most important to us in a number of ways including, administrative support, Community relations so critical to gaining access to drill sites, and as a future facility to treat ore resulting from NSM exploration success.

Your Board's priorities are health safety of our employees and contractors, financial management, exploration strategy and communication with our investors. The skills the directors bring are diverse and relevant including openness in discussion and diligence in preparation for Board meetings. We have $11,778,334 available, adequate to fund the next 12 months operations.

JK Ellis

Jeremy Ellis
Chairman

CEO REPORT

Dear Shareholder,

I am very excited and pleased for the opportunity your Board has presented me through my appointment as CEO of North Stawell Minerals.

I believe North Stawell Minerals has an exceptional tenement package located to the north of the central Victorian township of Stawell comprising approximately 602 square kilometres. This tenement package is contiguous, adjoins the multimillion-ounce productive Stawell Gold Mine and occupies a significant position in the highly prospective Stawell corridor.

The first twelve months of the company's life has seen the establishment of the site office located at Stawell Gold Mines, the commencement of the exploration program, the completion of the maiden drilling campaign and most importantly the initiation of the detailed geophysical and geochemical programs over the entire tenement package. This detailed and comprehensive program has been significantly enhanced and further developed in recent months and has outlined approximately 12 major targets and numerous smaller geological anomalies which appear to have gold bearing attributes. This work is designed to look under or through the Murray basin sedimentary cover which covers much of the tenement package.

This work is designed to identify potential Magdala dome type structures. Magdala dome hosts the multimillion-ounce orebody which Stawell Gold Mines continues to both mine and expand the resource estimates. We believe the major targets have the potential to host Magdala style ore bodies. Thus, the recently announced drilling program will focus on testing these targets. We have one drilling rig booked for the next six months and are looking to secure a second larger rig to further progress our exploration program.

In order to progress our exploration campaign your company is strengthening its geological team though some strategic recruitment, upgrading and adding to the existing data base and improving internal systems. This added to good science and exploration technology, diligent work application and a stringent adherence to workplace safety well positions North Stawell Minerals for a successful year ahead.

North Stawell Minerals is funded, focused and has developed a well-planned detailed exploration program. I am excited about our exploration opportunities and I am looking forward to working hard on their execution and delivery over the next twelve months.

Russell Krause
CEO


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DIRECTORS' REPORT

The directors present their report, together with the financial statements of North Stawell Minerals Ltd (referred to hereafter as the '**company**') for the year ended 30 June 2021.

Directors

The following persons were directors of North Stawell Minerals Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jeremy Ellis

Graham Brown

Alistair Waddell

Campbell Olsen

Principal activities

During the financial year the principal continuing activities of the company consisted of exploration and evaluation activities at the company's exploration tenements situated in the highly prospective Stawell Corridor in Victoria, Australia and adjacent to the multimillion ounce producing Stawell Gold Mines.

Dividends

There were no dividends declared or paid by the company during the year.

Review of operations

The loss for the company amounted to ($2,088,746) (30 June 2020: ($649)).

The company has to date avoided Coronavirus (COVID-19) pandemic interruptions to its exploration activities. This has primarily been due its exploration staff and contractors being locally based, as well as its stringent efforts in ensuring best practice health and hygiene standards were complied with at all times.

Exploration advanced in two main directions during 2020-2021. The Wildwood historic resource was drill-targeted to advance understanding of the mineralisation and target down-dip extensions of mineralisation. Also, regional datasets were compiled and consolidated.

Wildwood Project

The drilling program at Wildwood was completed with a total of 35 diamond drill holes for 9,087.7m and 55 RC holes for 3,555m. Programmes were intended to cross check pre-2012 drilling results for JORC compliance as well as deeper diamond drill holes to extend the boundaries of known mineralised envelopes. Diamond drilling intercepted Stawell-style mineralisation down plunge of the Trinity, Clontarf and Torquay deposits. At depth, mineralisation was displaced by fault structures. At the end of the reporting period, structural work on the orientated drill core was ongoing to ascertain movement directions and potential offset distances for continuation of mineralisation.

Drilling highlights at Wildwood include:

NSR007 – 18m @ 4.15g/t from 22m downhole

NSR0051 – 5m @ 7.5g/t from 15m downhole

NSR0052 – 12m @ 9.48g/t from 34m downhole

NSR0055 – 3m @ 4.71g/t from 36m downhole

NSR0060 – 16m @ 2.89g/t from 46m downhole

Regional Data

Regional exploration included the consolidation of historic exploration data (including maps, geochemistry and past drilling) and the acquisition of a regional, high resolution aerial geophysics survey throughout the tenement portfolio. The data facilitates interpretation of extensions of prospective structures beneath a blanket of late sedimentary cover. The additional knowledge gained from historic data and the new survey have given the exploration team best-available information to target mineralisation in upcoming drilling campaigns.

The financial position of the company is strong with a healthy cash balance and minimal payables at year end, which allows for NSM to execute its immediate term exploration mandate.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the company has avoided most of its devastating impact up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Commonwealth and State Governments and those of other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 7 July 2021, Steven Tambanis announced that he would be leaving the company as the Chief Executive Office and the Board announced that Russell Krause would step in as the interim CEO. At the same time, the board announced that Bill Reid would also assist as the new interim head of exploration. The directors welcomed the new additions who bring a wealth of experience in gold exploration, particularly in Victoria and the Stawell region.

On 30 July 2021, Exploration Licence EL007324 ("Deep Lead") was granted by the Victorian State Government's Earth Resources and Regulation for an initial five-year term. E007324 covers 167 sq km of the northern extension of the structures and geology that host the multi-million ounce Stawell Gold Mine. The company is still awaiting approval from Earth Resources and Regulation for its Exploration Licence application ELA007325 ("Germania"), which includes an additional 50 sq km of prospective geology and several historic gold workings. Germania is adjacent to the Deep Lead licence and also includes the continuation of prospective geology and structures known to host mineralisation. To date, the company remains confident that this application will be approved and has no knowledge of any information to the contrary.

Apart from the above, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

The company intends to continue its exploration activities on its prospective tenements in the Stawell Corridor and is anticipating to build upon the foundation that is has been able to establish. The company anticipates the Germania application mentioned above gaining approval in the near term.

Environmental regulation

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

The company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the company to assess its energy usages, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the company intends to take as a result. Due to this Act, the company has registered with the Department of Resources, Energy and Tourism as a participant entity and reports the results from its assessments.

The National Greenhouse and Energy Reporting Act 2007 requires the company to report its annual greenhouse gas emissions and energy use. The company has previously implemented systems and processes for the collection and calculation of data.

Further information on the reporting and results of both the above Acts can be found on the company's website.

Information on directors

Jeremy Ellis

Non-Executive Chairman
Member of Audit & Risk Committee

Mr Ellis has extensive mining and manufacturing experience both in Australia and overseas. He joined BHP in 1967 and rose through the company's management structure to become the CEO of BHP Minerals, then chairing the company from 1997 to 1999. In addition, he was also the director of ANZ Banking Group for 10 years. He has served on the board of several listed companies and governing bodies including Newcrest Mining, Aurora Gold, the International Copper Association, the International Council on Metals and the Environment, and the American Mining Congress and was on the advisory board of Anglo Coal Australia.

Mr Ellis was Chancellor of Monash University, former President of the Minerals Council of Australia and a former chair of the Australia-Japan Foundation and the Australian National Occupational Health and Safety Commission.

Mr Ellis is currently the Non-Executive Chairman of the Company and is considered to be independent. He is also a member of the Audit & Risk Committee.

Graham Brown

Non-Executive Director
Chairman of Audit & Risk Committee

Mr Brown has over 40 years' experience in the mining and exploration industry, having led teams that discovered numerous world class ore deposits including Sakatti magmatic copper-nickel-PGM deposit in Finland. He has completed over 100 technical assignments in over 25 countries. Previously the Group Head of Geosciences & Exploration at Anglo American, where prior he was appointed from Senior Vice President Exploration and managed geosciences, technical services, and R&D programs. Mr Brown has completed a BSc from the University of Strathclyde, Glasgow. He has been a Fellow of the Society of Economic Geologists ("SEG") since 1999. Also, participating in the Columbia Senior Executives Program and the Duke Business Leaders Program in 2004 and 2007.

Mr Brown is currently a Non-Executive Director of the Company and is considered to be independent. He is also the Chairman of the Audit & Risk Committee.

Alistair Waddell

Non-Executive Director
Member of Audit & Risk Committee

Mr Waddell is a geologist with over 25 years of diverse resource industry experience, including senior roles with both junior and senior mining companies. Mr Waddell was one of the founders and the past President & CEO of GoldQuest Mining Corp. He also served as a Vice President at Greenfields Exploration for Kinross Gold Corp with a global mandate to develop new exploration opportunities. Mr Waddell is currently the President & CEO of Inflection Resources Ltd with assets in NSW and Queensland. Mr Waddell brings with him excellent experience and an extensive industry network having lived and worked as an expatriate in Australia, Bolivia, Venezuela, Peru, Dominican Republic, Ecuador, Chile and Canada.

Mr Waddell is currently a Non-Executive Director of the Company and is considered to be Independent. He is also a member of the Audit & Risk Committee.

Campbell Olsen

Non-Executive Director

Mr Olsen has had a long career in Private Equity and operational management in the mining industry. Campbell has deep experience in international private equity practice and process having spent several years as an Investment Manager with Nomura Jafco and then General Manager (Australasia) with Advent International, a Boston-based multi-billion dollar international private equity company. In 2003 Mr Olsen established Polarity Capital, a private equity & advisory firm that specialized in a "hands on" approach to its investments, where he regularly assumed the CEO role of investee companies for varying durations to provide turnaround and expansion strategies as well as drive and directional clarity. From an operational perspective Campbell has acquired, managed and run downstream mineral processing operations along with upstream resources assets both in Australia and abroad. His experience encompasses asset/opportunity identification, due diligence, negotiations of acquisition terms and structure, ongoing operational reform & improvement through to exit strategies. He has managed exploration programs, JORC- compliant resource estimate programs, mine design and operations primarily across iron ore, silver and rare earth metals.

Mr Olsen has completed a Bachelor of Engineering from Victoria University and a MBA from Melbourne Business School.

Mr Olsen is currently a Non-Executive Director of the Company and is not considered to be independent due to his status as a substantial shareholder prior to the Offer.

Co-Company Secretaries

Mr David Hwang and Mr Lee Tamplin (joined on 10 March 2021) currently hold the roles as Co-Company Secretaries.

David Hwang is a Principal and Chief Compliance Officer of Automic Group, which provides fully integrated legal, registry and outsourced company secretarial services. He is an experienced corporate lawyer and company secretary specialising in listings on ASX (IPOs and reverse listings), equity capital markets and providing advice on corporate governance and compliance issues. Mr Hwang holds a Bachelor of Laws from UNSW and is also a notary public. Mr Hwang currently serves as Company Secretary to Austral Gold Limited (ASX:AGD) and Aeon Metals Limited (ASX:AML).

Lee Tamplin has almost 20 years' experience in a variety of roles covering investment management, financial services and corporate governance in both Australia and the UK. Mr Tamplin is currently Company Secretary for a number of ASX listed and unlisted public and private companies across a range of industries. He has a Degree in Financial Services, a diploma in Financial Planning and is a Graduate of the Australian Institute of Company Directors Course. He is also a member of the Governance Institute of Australia.

Meetings of directors

The number of meetings of the company's board of directors ('the Board') and of each board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Jeremy Ellis	10	10	–	–	1	1
Graham Brown	9	10	–	–	1	1
Alistair Waddell	10	10	–	–	1	1
Campbell Olsen	10	10	–	–	–	–

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the company, 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 company, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the 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

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non- executive directors' fees and payments are appropriate and in line with the market. The non-executive chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The non-executive chairman is not present at any discussions relating to the determination of his own remuneration.

Executive remuneration

The company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- Base pay
- Share-based performance incentives
- Other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and superannuation, are reviewed annually by the Nomination and Remuneration Committee based on individual performance, the overall performance of the company and comparable market remunerations.

The share-based performance incentive program currently awards performance shares to executive management and company directors for achieving performance hurdles, aligned to company targets and objectives. The performance share program is vested over a period of two years based on long-term incentive measures.

Company performance and link to remuneration

Remuneration for the Chief Executive Officer is linked to both cash remuneration as well as KPI-based performance criteria. The Chief Executive Officer's performance right incentive plan is based on achieving exploration success and company share performance KPI's, and these shares are vested over a two-year period if the KPI's are met. As of 30 June 2021, none of the CEO's performance rights had vested; post the CEO's resignation in July 2021, the NSM Board agreed to the vesting of 127,000 performance rights based upon the CEO having successfully achieved the first KPI tranche.

Remuneration for the non-executive directors is also linked to the performance of the company. 50% of the non-executive directors' remuneration is linked to the performance rights plan which is vested over a two-year period. See below table that compares the proportion of remuneration fixed vs variable for all key management personnel.

Additional information

The loss of the company is summarised below:

	2021 $	2020 $
Loss after income tax	(2,088,746)	(649)

	2021 $
Share price at financial year end	0.26
Basic earnings per share ($/share)	(0.017)

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the company are set out in the following tables.

The key management personnel of the company consisted of the following directors of North Stawell Minerals Ltd:

- Mr Jeremy Ellis – Non-Executive Chairman
- Mr Graham Brown – Non-Executive Director
- Mr Alistair Waddell – Non-Executive Director
- Mr Campbell Olsen – Non-Executive Director

And the following persons:

- Mr Steven Tambanis – Chief Executive Officer (resigned on 7 July 2021)
- Mr Kevin Lam – Chief Financial Officer

Changes since the end of the reporting period:

Steven Tambanis resigned as Chief Executive Officer on the 7 July 2021 and was replaced by Interim Chief Executive Officer, Russell Krause and Interim Head of Exploration, Bill Reid.

		Short-term benefits		Post-employment benefits	Long-term benefits	Equity-based	
2021	**Cash salary and fees** $	**Cash bonus** $	**Non monetary** $	**Super-annuation** $	**Long service leave** $	**Performance Rights**[2] $	**Total** $
Non-Executive Directors:							
Jeremy Ellis (Chair)	50,000	–	–	4,750	–	62,784	117,534
Graham Brown	50,000	–	–	–	–	51,704	101,704
Alistair Waddell	50,000	–	–	–	–	51,704	101,704
Campbell Olsen[3]	50,000	–	–	4,750	–	51,704	106,454
Other Key Management Personnel:							
Steven Tambanis (resigned 7/7/21)	278,226	–	–	[1]	–	29,214	307,440
Kevin Lam	100,696	–	–	[1]	–	–	100,696
	578,922	**–**	**–**	**9,500**	**–**	**247,110**	**835,532**

1 Superannuation paid to individuals by their respective consulting companies

2 These performance rights have been granted but not fully vested due to a 2-year vesting period; amount recognised in FY2021 is the amount expensed.

3 The company has a support services agreement with Arete Capital Partners Pty Ltd, a company owned by Campbell Olsen (Director), in relation to the provision of media and administrative support services for NSM. The company incurred $47,000 in costs to Arete Capital Partners Pty Ltd over the current reporting period for this support services agreement. There was nil due for payment at the end of the reporting period. This services agreement is considered to be at arm's length terms for the purposes of Chapter 2E of the Corporations Act.

The proportion of remuneration linked to fixed and KPI-performance are as follows:

	Fixed 2021 %	KPI-performance 2021 %
Non-Executive Directors:		
Jeremy Ellis	47%	53%
Graham Brown	49%	51%
Alistair Waddell	49%	51%
Campbell Olsen	51%	49%
Other Key Management Personnel:		
Steven Tambanis (resigned 7/7/21)	90%	10%
Kevin Lam	100%	–

Performance rights are dependent on meeting defined performance measures. The decision to allocate any rights is determined having regard to the satisfaction of performance measures and weightings.

The performance rights plan was adopted on 28 July 2020 and issued of a total of 1,942,000 Performance Rights that expire on 28 July 2024. The performance rights are triggered by meeting the following performance vesting conditions:

Holder	Performance Rights Number	Total fair value on issue $	Total amount expensed in current period $	Vesting conditions
Jeremy Ellis	340,000	136,000	62,784	Two years continuous service with the company from its date of admission to ASX
Graham Brown	280,000	112,000	51,704	Two years continuous service with the company from its date of admission to ASX
Alistair Waddell	280,000	112,000	51,704	Two years continuous service with the company from its date of admission to ASX
Campbell Olsen	280,000	112,000	51,704	Two years continuous service with the company from its date of admission to ASX
Steven Tambanis (resigned 7/7/2021)	762,000	370,840	29,314	1 Acquire and process new geophysical and geochemical data (127,000) 2 Define and prioritise minimum of 20 drill targets (127,000) 3 Drill 20,000 metres, minimum 15,000 diamond (127,000) 4 JORC resource 250,000 oz (127,000) 5 JORC resource 500,000 oz (127,000) 6 Market capitalisation of $180,000,000 (127,000)

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements summarised as follows:

Name:	Steven Tambanis (through STX Consulting Pty Ltd)
Title:	Chief Executive Officer (resigned on 7th July 2021)
Agreement commenced:	22 September 2020
Term of agreement:	Continuous, until terminated
Details:	Base fee, for the year ending 30 June 2021 of $308,000 plus GST, to be reviewed annually by the Nomination and Remuneration Committee. Issue of 762,000 performance rights to Steven Tambanis in accordance with NSM's Performance Share Plan based on achieving 6 (six) KPI hurdles over a 2-year vesting period.

Name:	Kevin Lam (through AccelerantCFO Pty Ltd)
Title:	Chief Financial Officer
Agreement commenced:	22 September 2020
Term of agreement:	Continuous, until terminated
Details:	Base fee, for the year ending 30 June 2021 of $120,000 plus GST

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

Share-based compensation

Performance Rights

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance Rights					
Jeremy Ellis	–	340,000	–	–	340,000
Graham Brown	–	280,000	–	–	280,000
Alistair Waddell	–	280,000	–	–	280,000
Campbell Olsen	–	280,000	–	–	280,000
Steven Tambanis	–	762,000	–	–	762,000
	–	**1,942,000**	**–**	**–**	**1,942,000**

The terms and conditions of the performance shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

	Number of Performance Rights Granted	Date Granted	Date of Vesting	Date of Expiry	Fair Value per share	$ Expensed in FY2021
Jeremy Ellis	340,000	28/7/20	28/7/22	28/7/24	$0.50	62,784
Graham Brown	280,000	28/7/20	28/7/22	28/7/24	$0.50	51,704
Alistair Waddell	280,000	28/7/20	28/7/22	28/7/24	$0.50	51,704
Campbell Olsen	280,000	28/7/20	28/7/22	28/7/24	$0.50	51,704
Steven Tambanis	762,000	28/7/20	28/7/22	28/7/24	$0.49	29,214

Performance rights granted carry no dividend or voting rights until duly vested and awarded.

Post the resignation of Steven Tambanis after 30 June 2021, the Remuneration Committee approved the vesting of 127,000 of his performance rights for nil consideration, deeming the following tranche of his package to have been duly completed:

1. Acquire and process new geophysical and geochemical data (127,000 performance rights).

Steven's remaining 635,000 performance rights were deemed to have been forfeited.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Jeremy Ellis	–	–	200,000	–	200,000
Graham Brown	–	–	100,000	–	100,000
Alistair Waddell	–	–	–	–	–
Campbell Olsen[1]	–	–	4,000,000	–	4,000,000
Steven Tambanis (resigned 7/7/21)	–	–	–	–	–
Kevin Lam	–	–	–	–	–
	–	**–**	**4,300,000**	**–**	**4,300,000**

1 The company issued of 4 million shares at $0.50 to Asrica Pty Ltd, an entity associated with Campbell Olsen (Director). The shares were issued pursuant to an IPO services agreement between Arete Partners Pty Ltd, as an agent for Stawell Gold Mine Pty Ltd and Arete Capital Partners Pty Ltd. The issue of these shares was approved by Shareholders on 17 July 2020. There was also a further issue of 4 million shares at $0.50 to Arete Partners Pty Ltd (entity owned by Victor Smorgon group who are shareholders to the company) for IPO services.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of North Stawell Minerals Ltd under option at the date of this report. There are 1,307,000 performance rights (as at 22 September 2021).

Shares issued on the exercise of options / performance rights

There were no ordinary shares of North Stawell Minerals Ltd issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted. No performance rights have been exercised during the period.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

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

Proceedings on behalf of the company

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

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 18 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 18 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 Grant Thornton Audit Pty Ltd

There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Auditor

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.
On behalf of the directors

Jeremy Ellis
Chairman

24 September 2021
Melbourne

Competent Persons Statement

The information that relates to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by Mr Bill Reid, a Competent Person who is a Member of The Australian Institute of Geoscientists (AIG) and Head of Exploration of North Stawell Minerals. Mr Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code). Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Auditor's Independence Declaration

To the Directors of North Stawell Minerals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of North Stawell Minerals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

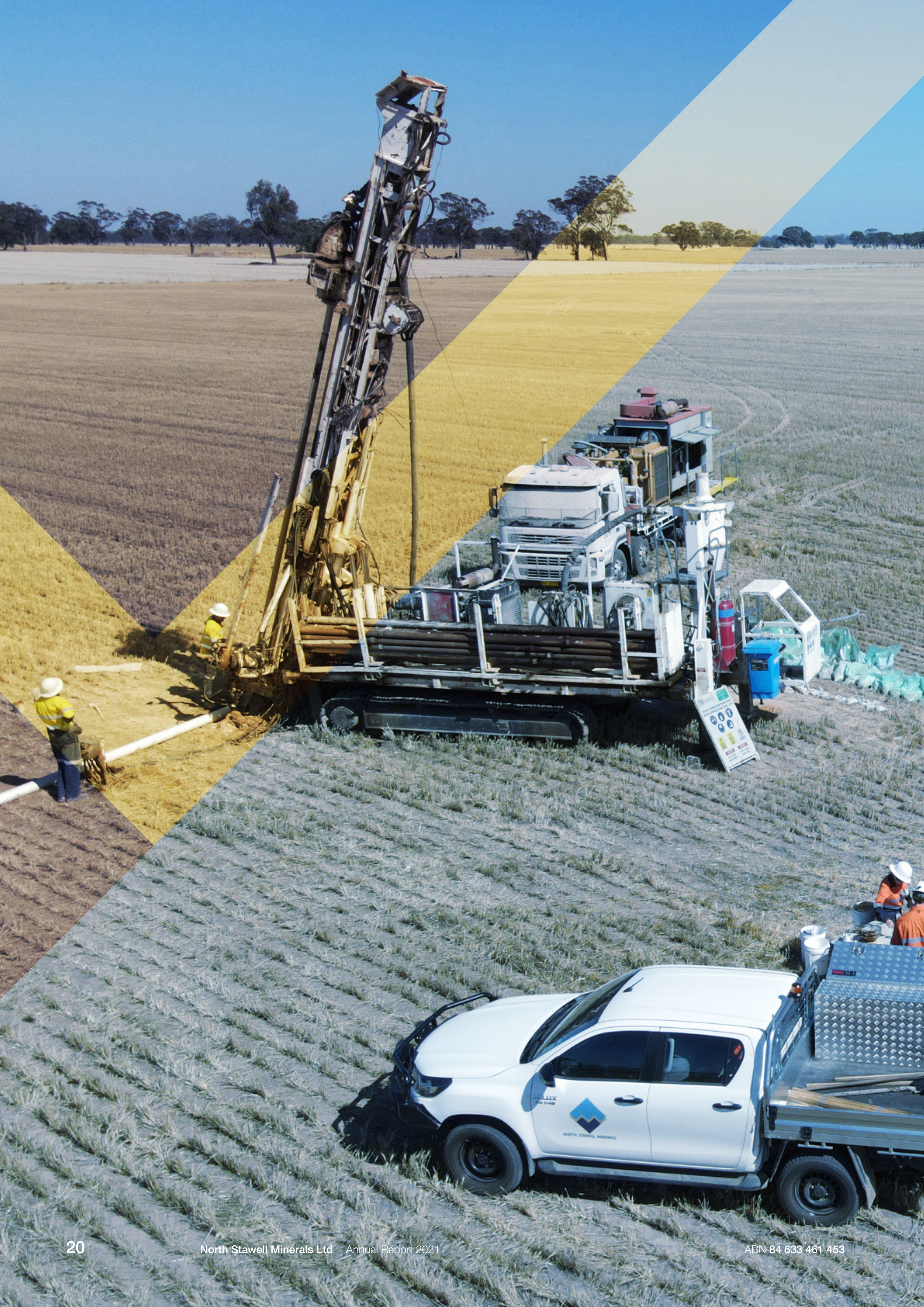
b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 24 September 2021



FINANCIAL STATEMENTS

General information

The financial statements cover North Stawell Minerals Ltd for the year ended 30 June 2021. The financial statements are presented in Australian dollars, which is North Stawell Minerals Ltd.'s functional and presentation currency.

North Stawell Minerals Ltd is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business are:

Registered office and Principal place of business

Leviathan Road
Stawell VIC 3380
Australia

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2021. The directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue		–	–
Other income	4	63,713	–
Expenses			
Project generation costs		(120,753)	–
Accounting and audit fees		(54,920)	–
Company secretarial fees		(52,311)	–
Consulting and contractor costs		(399,983)	–
Director fees		(200,000)	–
Employee benefit expense		(52,468)	–
IPO expenses		(850,530)	–
Other expenses	5	(174,284)	(649)
Share based payments expense		(247,210)	–
Loss before income tax expense		**(2,088,746)**	**(649)**
Income tax expense		–	–
Loss after income tax expense for the year		**(2,088,746)**	**(649)**
Other comprehensive income		(2,088,746)	(649)
Total comprehensive loss attributable to owners of North Stawell Minerals Ltd		**(2,088,746)**	**(649)**

		Cents	Cents
Earnings per share of loss attributable to the owners of North Stawell Minerals Ltd			
Basic earnings per share	24	(0.017)	(0.01)

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

Statement of financial position

As at 30 June 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	6	11,778,344	2,361
Trade and other receivables	7	225,947	–
Other current assets	8	47,861	–
Total current assets		**12,052,152**	**2,361**
Non-current assets			
Property, plant and equipment	9	317,360	–
Exploration and evaluation	10	4,865,612	–
Other non-current assets	11	60,000	–
Total non-current assets		**5,242,972**	**–**
Total assets		**17,295,124**	**2,361**
Liabilities			
Current liabilities			
Trade and other payables	12	261,212	3,000
Employee benefits	13	25,945	–
Total current liabilities		287,157	3,000
Total liabilities		**287,157**	**3,000**
Net assets		**17,007,967**	**(639)**
Equity			
Issued capital	14	18,850,152	10
Reserves	15	247,210	–
Accumulated losses	16	(2,089,395)	(649)
Equity attributable to the owners of North Stawell Minerals Ltd		17,007,967	(639)
Total equity		**17,007,967**	**(639)**

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

Statement of changes in equity

For the year ended 30 June 2021

	Issued Capital $	Share based payments reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2019	–	–	–	–
Loss after income tax expense for the year	–	–	(649)	(649)
Total comprehensive loss for the year	–	–	(649)	(649)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	10	–	–	10
Balance at 30 June 2020	**10**	**–**	**(649)**	**(639)**

	Issued Capital $	Share based payments reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2020	10	–	(649)	(639)
Loss after income tax expense for the year	–	–	(2,088,746)	(2,088,746)
Total comprehensive loss for the year	–	–	(2,089,395)	(2,089,385)
Transactions with owners in their capacity as owners (note 14):				
Shares issued – acquisition of tenement (EL6156)	200,000	–	–	200,000
Shares issued – incentive awards	4,000,000	–	–	4,000,000
Shares issued	20,000,000	–	–	20,000,000
Transaction costs	(5,349,858)	–	–	(5,349,858)
Share-based payments	–	247,210	–	247,210
Balance at 30 June 2021	**18,850,152**	**247,210**	**(2,089,395)**	**17,007,967**

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

Statement of cash flows

For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		–	–
Payments to suppliers and employees		(1,081,070)	(649)
Interest received		47,812	–
Net cash from operating activities	**23**	**(1,033,258)**	(649)
Cash flows from investing activities			
Payments for property, plant and equipment		(366,292)	–
Payments for exploration and evaluation		(4,531,080)	–
Payments for tenement bonds		(60,000)	–
Net cash used in investing activities		**(4,957,372)**	
Cash flows from financing activities			
Proceeds from issue of shares		20,000,000	10
Share issue transaction costs		(2,200,387)	–
Proceeds from borrowings		50,000	3,000
Repayment of borrowings		(53,000)	–
Credit card security collateral		(30,000)	–
Net cash used in financing activities		**17,766,613**	**3,010**
Net increase/(decrease) in cash and cash equivalents		11,775,983	2,361
Cash and cash equivalents at the beginning of the financial year		2,361	–
Cash and cash equivalents at the end of the financial year	**6**	**11,778,344**	**2,361**

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Significant accounting policies

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

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

North Stawell Minerals Ltd is a for-profit entity for the purposes of preparing financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below:

Historical cost convention

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

Critical accounting estimates

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

New or amended Accounting Standards and Interpretations adopted

The company has adopted all 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.

Principal activities of the Company

During the financial year the principal continuing activities of the company consisted of exploration and evaluation activities at the company's exploration tenements situated in the highly prospective Stawell Corridor in Victoria, Australia and adjacent to the multimillion ounce producing Stawell Gold Mines.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The company recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable company or different taxable entities which intend to settle simultaneously.

Current and non-current classification

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

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

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

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

Note 1. Significant accounting policies continued

Cash and cash equivalents

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

Trade and other receivables

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

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

IT equipment	3 years
Office equipment	5 years
Motor vehicles	4 years
Exploration equipment	6 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation assets

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

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

Performance Rights Award ("PR")

Performance rights are granted to key management and/or directors for added value contribution to the company; these PR are only vestable upon successful achievement of key performance indicators over a 2-year vesting period.

The PR's are measured at fair value on grant date. Fair value is independently determined in most cases using the Binomial Model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The Monte Carlo Model was utilised for determining the market capitalisation tranche for the CEO.

The cost of PR's is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of PR's is initially, and at each reporting date until vested, determined by applying Binomial and Monte Carlo models, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period;
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Significant accounting policies continued

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of North Stawell Minerals Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Operating segments

Identification of reportable operating segments

The company is organised into one operating segment, being exploration operations in the Stawell Corridor of Victoria, Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews all operational and capital costs relating to the leases the company holds in the Stawell Corridor, as well as the overall administrative costs incurred. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

Note 4. Other income

	2021 $	2020 $
Interest Income	47,812	–
Other income	15,901	–
Total income	**63,713**	**–**

Note 5. Expenses

	2021 $	2020 $
Loss before income tax includes the following specific expenses:		
Other expenses		
ASX fees	5,823	–
Courses, conferences and communications	17,098	–
Legal fees	4,284	–
Insurance	32,062	–
Investor relations	65,200	–
Medical, recruitment and training	6,787	–
Office and administrative costs	18,035	649
Staff uniforms and protective clothing	6,026	–
Software fees and computer costs	10,736	–
Travel and accommodation	8,233	–
	174,284	**649**

Note 6. Current assets – Cash and cash equivalents

	2021 $	2020 $
Cash at bank	11,778,344	2,361
	11,778,344	**2,361**
Reconciliation to cash and cash equivalents at the end of the financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	11,778,344	2,361
Balance as per statement of cash flows	**11,778,344**	**2,361**

Note 7. Current assets – Trade and other receivables

	2021 $	2020 $
GST receivable from the Australian Taxation Office	225,947	2,361
	225,947	**2,361**

Allowance for expected credit losses

The company has recognised nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

Note 8. Current assets – Other

	2021 $	2020 $
Prepayments	17,677	–
Cash deposit – collateral for ANZ credit card	30,000	–
Other	184	–
	47,861	**–**

Note 9. Non-current assets – property, plant and equipment

	2021 $	2020 $
IT equipment – at cost	38,199	–
Less: Accumulated depreciation	(6,692)	–
	31,507	**–**
Office equipment – at cost	4,474	–
Less: Accumulated depreciation	(649)	–
	3,825	**–**
Motor vehicle – at cost	207,814	–
Less: Accumulated depreciation	(33,554)	–
	174,260	**–**
Exploration equipment – at cost	115,805	–
Less: Accumulated depreciation	(8,037)	–
	107,768	**–**
	317,360	–

Note 9. Non-current assets – property, plant and equipment continued

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Motor vehicles $	Exploration equipment $	IT & Office equipment $	Total $
Balance at 1 July 2020	–	–	–	–
Additions	207,814	115,805	42,673	366,292
Disposals	–	–	–	–
Depreciation expense	(33,554)	(8,037)	(7,341)	(48,932)
Balance at 30 June 2021	**174,260**	**107,768**	**35,332**	**317,360**

Note 10. Non-current assets – Exploration and evaluation

	2021 $	2020 $
Exploration and evaluation – at cost	4,865,612	–

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Exploration and evaluation $	Total $
Balance at 1 July 2020	–	–
EL6156 Glenorchy acquisition at IPO via issue of shares	200,000	200,000
Costs during the year	4,665,612	4,665,612
Balance at 30 June 2021	**4,865,612**	**4,865,612**

Farm-In Agreement

In consideration for NSM acquiring the 51% interest in the EL5443 Barrabool Tenement and the RL7051 Wildwood Tenement (and, if granted, the Tenement Applications – EL7324 and EL7325) from the Sellers, NSM has agreed pursuant to the Farm-In Agreement to meet the minimum expenditure obligations of $5 million (Minimum Obligation) during the 2-year period from NSM's listing date.

Following the $5 million minimum obligation spend, NSM may elect to increase its interest up to 91% in the respective farm-in tenements by spending a further $4 million as follows:

(a) Phase 1: earn additional 10% (total 61%) by spending $1 million 3 years from IPO date;

(b) Phase 2: earn additional 10% (total 71%) by spending $1 million 4 years from IPO date;

(c) Phase 3: earn additional 10% (total 81%) by spending $1 million 5 years from IPO date;

(d) Phase 4: earn additional 10% (total 91%) by spending $1 million 6 years from IPO date.

Note 11. Non-current assets – Other

	2021 $	2020 $
Environmental bonds with Earth Resources (Victorian Government)	60,000	–
	60,000	**–**

Note 12. Current liabilities – Trade and other payables

	2021 $	2020 $
Trade payables	16,121	–
Other payables	245,091	3,000
	261,212	**3,000**

Note 13. Current liabilities – Employee benefits

	2021 $	2020 $
Employee benefits	25,945	–

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the company does not have an unconditional right to defer settlement. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2021 $	2020 $
Employee benefits obligation expected to be settled after 12 months	–	–

Note 14. Equity – Issued capital

	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares – fully paid	120,000,000	52,000,000	18,850,152	10

Movements in ordinary share capital

Details	Shares	$
Balance as at 1 July 2020	52,000,000	10
Shares issued – acquisition of tenement (EL6156)	20,000,000	200,000
Shares issued – incentive awards[1]	8,000,000	4,000,000
Issue of shares	40,000,000	20,000,000
Share issue transaction costs[2]	–	(5,349,858)
Balance as at 30 June 2021	**120,000,000**	**18,850,152**

1 4,000,000 shares issued to Asrica Pty Ltd, an entity associated with Campbell Olsen, North Stawell Minerals non-executive director, and a further 4,000,000 shares issued to Arete Partners Pty Ltd an entity associated with Mr. Peter Edwards, a former director of the Company. The shares were issued pursuant to an IPO Services Agreement between Arete Partners Pty Ltd, as agent for Stawell Gold Mines Pty Ltd and Arete Capital Partners Pty Ltd.

2 relates to $4,000,000 IPO share issuance services mentioned above plus $1,349,858 for other IPO costs incurred (including brokerage, legal and other qualifying prospectus costs) written off against equity capital.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

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

Note 15. Equity – Reserves

	2021 $	2020 $
Share Based Payments Reserve – Performance rights (See note 25)	247,210	–
	247,210	**–**

Movements in reserves

Movements in each class of reserve are set out below:

	Share Based Payments Reserve $	Total $
Balance at 1 July 2020	–	–
Movement during the year – Performance Rights – see note 25	247,210	247,210
Balance at 30 June 2021	**247,210**	**247,210**

Note 16. Equity – Accumulated losses

	2021 $	2020 $
Accumulated losses at the beginning of the financial year	(649)	–
Loss after income tax expense for the year	(2,088,746)	(649)
Accumulated losses at the end of the financial year	**(2,089,395)**	**(649)**

Note 17. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company are set out below and detailed disclosures relating to remuneration are included in the remuneration report:

	2021 $	2020 $
Short-term employee benefits	588,422	–
Post-employment benefits	–	–
Long-term benefits	–	–
Share-based payments	247,210	–
	835,632	**–**

Disclosures relating to key management personnel are set out in the remuneration report included in the directors' report.

Note 18. Remuneration of auditors

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

	2021 $	2020 $
Audit services – Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	46,000	–
Other services – Grant Thornton – Corporate Tax		
Preparation of the tax return and other tax services	2,000	–
	48,000	**–**

Note 19. Contingent assets and liabilities

As at 30 June 2021, the company did not have any contingent assets or contingent liabilities.

Note 20. Commitments

	2021 $	2020 $
Minimum spend commitments on exploration leases	7,650,121	–
Total	**7,650,121**	**–**

	< 1 Year $	1 to 5 Years $
Minimum spend commitments on exploration leases at 30 June 2021	1,881,202	5,768,919
Total	**1,881,202**	**5,768,919**

Note 21. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	2021 $	2020 $
Payment for goods and services:		
Payment for services from Stawell Gold Mines Pty Ltd[1]	380,000	–
Payment for services from Arete Capital Partners Pty Ltd[2]	47,000	–
Pre-IPO costs funded by loan from Stawell Gold Mines Pty Ltd[3]	1,543,736	–
	1,970,736	**–**

1 The company has a support services agreement with Stawell Gold Mines Pty Ltd in relation to the use of certain administrative facilities, equipment and other services (these include administrative offices, human resources and safety, cleaning, data base management). The company incurred $380,000 in costs to Stawell Gold Mines Pty Ltd over the current reporting period for this support services agreement. There was $88,000 due for payment at the end of the reporting period. This services agreement is considered to be at arm's length terms for the purposes of Chapter 2E of the Corporations Act.

2 The company has a support services agreement with Arete Capital Partners Pty Ltd, a company owned by Campbell Olsen (Director), in relation to the provision of media and administrative support services for NSM. The company incurred $47,000 in costs to Arete Capital Partners Pty Ltd over the current reporting period for this support services agreement. There was nil due for payment at the end of the reporting period. This services agreement is considered to be at arm's length terms for the purposes of Chapter 2E of the Corporations Act.

The company issued of 4 million shares at $0.50 to Asrica Pty Ltd, an entity associated with Campbell Olsen (Director). The shares were issued pursuant to an IPO services agreement between Arete Partners Pty Ltd, as an agent for Stawell Gold Mine Pty Ltd and Arete Capital Partners Pty Ltd. The issue of these shares was approved by Shareholders on 17 July 2020. There was also a further issue of 4 million shares at $0.50 to Arete Partners Pty Ltd (entity owned by Victor Smorgon group who are shareholders to the company) for IPO services.

3 There was a contingent loan agreement with Stawell Gold Mines Pty Ltd in relation to pre-IPO costs amounting to $1.6 million which has been fully repaid by the Company from IPO proceeds. As outlined in the prospectus, Stawell Gold Mines Pty Ltd was a related party to the company due to common shareholders prior to the IPO.

Payments in total of $175,188 were made to STX Consulting Pty Ltd, an entity affiliated with Steve Tambanis (CEO), for Pre-IPO work. A payment of $18,000 was made to AccelerantCFO Pty Ltd, an entity affiliated with Kevin Lam (CFO), for Pre-IPO work.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2021 $	2020 $
Current payables at year end:		
Trade payables to Arete Capital Partners Pty Ltd	–	–
Accrued amounts owing to Stawell Gold Mines Pty Ltd	114,553	–

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 22. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the company has avoided most of its devastating impact up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Commonwealth and State Governments and those of other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 7 July 2021, it was announced to the market that the chief executive officer, Steven Tambanis would be leaving the company and would be replaced on an interim basis by Russell Krause.

Post the resignation of Steven Tambanis after 30 June 2021. The Remuneration Committee approved the exercise of 127,000 of his performance shares for nil consideration, deeming the following tranche of his package to have been duly completed:

- Acquire and process new geophysical and geochemical data (127,000 shares).

Steven's remaining 635,000 performance shares were deemed to have been forfeited.

On 30 July 2021, Exploration Licence EL007324 ("Deep Lead") was granted by the Victorian State Government's Earth Resources and Regulation for an initial five-year term. E007324 covers 167 sq km of the northern extension of the structures and geology that host the multi-million-ounce Stawell Gold Mine. The company is still awaiting approval from Earth Resources and Regulation for its Exploration Licence application ELA007325 ("Germania"), which includes an additional 50 sq km of prospective geology and several historic gold workings. Germania is adjacent to the Deep Lead licence and also includes the continuation of prospective geology and structures known to host mineralisation. To date, the company remains confident that this application will be approved and has no knowledge of any information to the contrary.

Apart from the above, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 23. Reconciliation of loss after income tax to net cash from operating activities

	2021 $	2020 $
Loss after income tax expense for the year	(2,088,746)	(649)
Adjustments for:		
Share-based payments	247,210	–
IPO expenses recognised as a financing activity	850,530	–
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(237,989)	–
Increase/(decrease) in trade and other payables	169,792	3,010
Increase/(decrease) in employee benefits	25,945	–
Net cash from operating activities	**(1,033,258)**	**2,361**

Note 24. Earnings per share

	2021 $	2020 $
Earnings per share for profit from continuing operations		
Loss after income tax attributable to the owners of North Stawell Minerals Ltd used in calculating basic earnings per share	(2,088,746)	(649)

	Cents	Cents
Basic earnings per share	(0.017)	(0.01)

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	111,386,444	52,000,000

In accordance with AASB133 'Earnings per share', as potential ordinary shares may only result in a situation where their conversion results in decrease on profit per share or increase in loss per share. No dilutive effect has been considered.

Note 25. Share based payments

The Company has established a performance rights plan (PR) to assist in the motivation, retention reward of senior executives and directors. The PR was adopted on 28 July 2020. Under the plan, the board can issue performance rights to executive and the non-executive directors, employees and contractors as remuneration for additional duties performed and to incentivize them to align their interests more closely with those of shareholders. If the performance conditions and any other vesting conditions are met, an equivalent number of shares will be issued that rank equally with all other existing shares in all respects.

AASB 2 share-based payment requires that the company record the cost of all forms of director and employee remuneration in the company's accounts and sets out parameters for determining this cost. AASB 2 sets the valuation date (termed as grant date) as the date at which such a right has been approved. The directors have valued the performance rights using the Monte Carlo model; the model calculates performance right values the following inputs: • valuation date; • share price at valuation date; • expiry date; • risk free rate; • company-specific volatility; • strike price; and • maximum expected life.

The performance rights plan was adopted on 28 July 2020 and issued of a total of 1,942,000 Performance Rights that expire on 28 July 2024. The performance rights are triggered by meeting the following performance vesting conditions:

Holder	Performance Rights Number	Total fair value on issue $	Total amount expensed in current period $	Vesting conditions
Jeremy Ellis	340,000	136,000	62,784	Two years continuous service with the company from its date of admission to ASX
Graham Brown	280,000	112,000	51,704	Two years continuous service with the company from its date of admission to ASX
Alistair Waddell	280,000	112,000	51,704	Two years continuous service with the company from its date of admission to ASX
Campbell Olsen	280,000	112,000	51,704	Two years continuous service with the company from its date of admission to ASX
Steven Tambanis (resigned 7/7/2021)	762,000	370,840	29,314	1 Acquire and process new geophysical and geochemical data (127,000) 2 Define and prioritise minimum of 20 drill targets (127,000) 3 Drill 20,000 metres, minimum 15,000 diamond (127,000) 4 JORC resource 250,000 oz (127,000) 5 JORC resource 500,000 oz (127,000) 6 Market capitalisation of $180,000,000 (127,000)

The total value of these rights of $581,093 includes a $247,210 portion that has been recognised in the year ended 30 June 2021 and is reflected in the statement of profit and loss and other comprehensive income.

Set out below are summaries of the performance rights granted under the plan:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance Rights over ordinary shares					
Jeremy Ellis	–	340,000	–	–	340,000
Graham Brown	–	280,000	–	–	280,000
Alistair Waddell	–	280,000	–	–	280,000
Campbell Olsen	–	280,000	–	–	280,000
Steven Tambanis	–	762,000	–	–	762,000
	–	**1,942,000**	**–**	**–**	**1,942,000**

The weighted average remaining contractual life of the performance rights outstanding at the end of the financial year is approximately 1 year (assuming the rights are vested and converted to shares soon after 27/7/2022.

For the 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:

	Number of Rights Granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Jeremy Ellis	340,000	28/07/2020	28/07/2022	28/07/2024	Nil	$0.50
Graham Brown	280,000	28/07/2020	28/07/2022	28/07/2024	Nil	$0.50
Alistair Waddell	280,000	28/07/2020	28/07/2022	28/07/2024	Nil	$0.50
Campbell Olsen	280,000	28/07/2020	28/07/2022	28/07/2024	Nil	$0.50
Steven Tambanis	762,000	28/07/2020	28/07/2022	28/07/2024	Nil	$0.49

Post the resignation of Steven Tambanis after 30 June 2021. The Remuneration Committee approved the vesting of 127,000 of his performance shares for nil consideration, deeming the following tranche of his package to have been duly completed:

1. Acquire and process new geophysical and geochemical data (127,000 performance rights).

Steven's remaining 635,000 performance rights were deemed to have been forfeited.

Note 26. Financial instruments

Risk management is carried out by executive management under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls, and risk limits. Management reports to the Board monthly.

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
As at 30 June 2021						
Non-derivatives						
Non-interest bearing						
Trade payables	–	261,212	–	–	–	261,212
Other payables	–	25,945	–	–	–	25,945
	–	**287,157**	**–**	**–**	**–**	**287,157**
As at 30 June 2020						
Non-derivatives						
Non-interest bearing						
Trade payables	–	–	–	–	–	–
Other payables	–	3,000	–	–	–	3,000
	–	**3,000**	**–**	**–**	**–**	**3,000**

Interest Rate risk

At balance date, the Company had the following mx of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2021	2020
	$	$
Financial assets		
Cash and cash equivalents	11,778,344	2,361
Term deposits	–	–
Financial Liabilities		
Interest bearing liabilities	–	–
Net Exposure	**11,778,344**	**2,361**

On 30 June 2021, if interest rates had moved as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

Judgement of reasonably possible movements	Post tax profit – Higher/(lower) 2021 $	Post tax profit – Higher/(lower) 2020 $	Equity – Higher/(lower) 2021 $	Equity – Higher/(lower) 2020 $
+1%	117,783	24	117,783	24
–1%	(117,783)	(24)	(117,783)	(24)

Credit Risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carry amount of these instruments. Exposure at balance date is addressed in each applicable note.

Cash at bank is held at ANZ bank, which has an S&P (Standard & Poors) rating of AA–

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Jeremy Ellis
Chairman

24 September 2021
Melbourne

Level 3, 170 Frome Street
Adelaide SA 5000

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GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Independent Auditor's Report

To the Members of North Stawell Minerals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of North Stawell Minerals Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

GrantThornton

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 a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets – Note 10	
As at 30 June 2021 the carrying value of exploration and evaluation assets was $4,865,612. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included, amongst others: • obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; – tracing projects to statutory registers and exploration licenses to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and • assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

Grant Thornton

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 at: https://www.auasb.gov.au/auditors_responsibilites/ar2_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 the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of North Stawell Minerals Limited, for the year ended 30 June 2021 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 24 September 2021

SHAREHOLDER INFORMATION

Additional Information for Listed Entities

In accordance with ASX Listing Rule 4.10, North Stawell Minerals Ltd (**North Stawell**) provides the following information not disclosed elsewhere in this report. The information is current as at 6 September 2021 (**Reporting Date**).

Corporate Governance Statement

North Stawell's Corporate Governance Statement is available on its website at:

https://www.northstawellminerals.com/corporate-governance

Substantial Holders

As at the Reporting Date, the substantial holders of North Stawell as disclosed in the substantial holder notices given to North Stawell are:

Vilo Enterprises Pty Ltd and its associates (referred to collectively as the Victor Smorgon Group) who hold 47,200,000 fully paid ordinary shares or 39.33% of the voting rights.

Number of holders

As at the Reporting Date, the number of holders in each class of equity securities is as follows:

Class of Equity Securities	Number of Holders
FULLY PAID ORDINARY SHARES	902
PERFORMANCE RIGHTS	5

Distribution Schedules

Fully Paid Ordinary Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 – 1,000	26	18,617	0.02%
1,001 – 5,000	282	847,259	0.71%
5,001 – 10,000	162	1,401,539	1.17%
10,001 – 100,000	337	12,913,433	10.76%
Above 100,000	95	104,819,152	87.35%
Totals	**902**	**120,000,000**	**100.00%**

Performance Rights

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 – 1,000	0	0	0.00%
1,001 – 5,000	0	0	0.00%
5,001 – 10,000	0	0	0.00%
10,001 – 100,000	0	0	0.00%
Above 100,000	5	1,307,000	100.00%
Totals	**5**	**1,307,000**	**100.00%**

Less than marketable parcels

The number of shareholders with less than a marketable parcel of shares is 87, with a total 93,190 shares, amounting to 0.08% of issued capital.

Voting Rights

Subject to the ASX Listing Rules, the Company's Constitution and any special rights or restrictions attached to a share, at a meeting of shareholders:

- On a show of hands, each fully paid ordinary shareholder present (in person, by proxy, attorney or representative) has one vote; and
- On a poll, each fully paid ordinary shareholder present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

The Performance Rights do not have voting rights.

Top 20

The 20 largest fully paid ordinary shareholders of the Company as at the Reporting Date are:

	Holder Name	Holding	% IC
1	LEVIATHAN RESOURCES PTY LTD	43,200,000	36.00%
2	ARETE PARTNERS PTY LTD	4,000,000	3.33%
3	ASRICA PTY LTD	4,000,000	3.33%
4	THE FIRST INVESTMENT (AU) PTY LTD	3,600,000	3.00%
5	MY GOLD MINE IN AUSTRALIA LTD	3,600,000	3.00%
6	SGM AUSTRALIA LIMITED	3,600,000	3.00%
7	MY GOLD IN AUSTRALIA LTD	3,600,000	3.00%
8	STAWELL GOLD MINE LTD	2,880,000	2.40%
9	ZHUOFENG ZHOU	2,520,000	2.10%
10	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,941,320	1.62%
11	YONGHANG LIN	1,440,000	1.20%
12	OMG CAPITAL PTY LTD	1,363,204	1.14%
13	MR ROBERT MACFADYEN PTY LTD <MACFADYEN S/F A/C>	1,150,000	0.96%
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	996,952	0.83%
15	MS TIAN TIAN	800,000	0.67%
16	RAGAR PTY LTD	780,000	0.65%
17	KWAI CHUEN BARRY LEUNG	720,000	0.60%
18	KAR HING TONG	720,000	0.60%
19	KWAI SUN WONG	720,000	0.60%
20	WAI SIN YIP	720,000	0.60%
	Total Top 20	**82,351,486**	**68.63%**
	Total Issued Capital	**120,000,000**	**100.00%**

Restricted Securities

Class of Restricted Securities	Type of Restriction	Number of Securities	End Date
Fully Paid Ordinary Shares	ASX Mandatory Escrow	80,000,000	24 September 2022
Performance Rights	ASX Mandatory Escrow	1,180,000	24 September 2022

Unquoted Securities

Class of Unquoted Securities	Number of Securities	Number of Holders
Fully Paid Ordinary Shares – Mandatory Escrow	80,000,000	45
Performance Rights	1,307,000	5

Leviathan Resources Pty Ltd holds 54% of the Mandatory Escrowed Fully Paid Ordinary Shares.

Mr Jerry Ellis holds 26.01% of the Performance Rights and Messers Alistair Waddell, Campbell Olsen and Graham Brown each hold 21.42% of the Performance Rights.

Other Information

The Company is not currently conducting an on-market buy-back.

There are no issues of securities approved for the purposes of item 7 of section 611 of the *Corporations Act 2001* (Cth) that have not yet been completed.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

In accordance with ASX Listing Rule 4.10.19 Company confirms the cash and assets in a form readily convertible to cash that it had at the time of admission to the official list of ASX (being 24 September 2020) has been used in a way consistent with its business objectives.

Tenements

Description	Tenement Number	Interest owned %
Wildwood – Stawell Corridor, Victoria	RL 7051	51/91
Barrabool – Stawell Corridor, Victoria	EL 5443	51/91
Glenorchy – Stawell Corridor, Victoria	EL 6156	100
Deep Lead – Stawell Corridor, Victoria (Awarded 22 July 2021)	EL 7324	51/91

North Stawell Minerals Ltd

ACN 633 461 453