Consolidated Financial Statements

Anindilyakwa Advancement Aboriginal Corporation and Controlled Entity
ICN 8751

For the year ended 30 June 2023

Financial Statements Contents

For the year ended 30 June 2023

Directors Report:

The Directors present their report, together with the consolidated financial report of the Anindilyakwa Advancement Aboriginal Corporation and Controlled Entity "the Group" for the financial year ended 30 June 2023.

Information on directors

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

Rita Bara	(Appointed on 13 December 2017)
Archie Jaragba	(Appointed on 13 December 2017)
Lionel Jaragba	(Appointed on 13 December 2017)
Saniva Jaragba	(Appointed on 6 December 2018)
Silas Bara	(Appointed on 6 December 2018)
Bradley Bara	(Appointed on 23 January 2020)
Nesman Bara	(Resigned 31 August 2022)

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

Principal activities

The principal activity of the Group during the financial year was to provide for and assist with the education and the economic, social and cultural advancement of the Traditional Aboriginal Owners of the Anindilyakwa Land Council Region.

No significant change in the nature of these activities occurred during the year.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating results

The consolidated profit of the Group amounted to $4,183,841 (2022: $5,656,423).

Review of operations

A review of the operations of the Group during the financial year and the results of those operations show a decrease in total revenue of $1,158,117 on the prior year, and an increase in net assets of $4,183,875.

The Group subsidiary, Winchelsea Mining Pty Ltd, reported a loss after providing for income tax of $1,256,505 (2022: a loss of $781,752).

OTHER ITEMS

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the parent entity occurred during the financial year other than as reported above.

Events after the reporting date

The Corporation received $2,060,000 from the Anindilyakwa Land Council in September 2023 for:

i) Banking Feasibility Studies and Environmental Impact Studies for Operations for Winchelsea Mining and Little Paradise;

ii) Operational Expenses for the Corporation and its subsidiary;

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Since the reporting date the Parent Entity has continued to undertake studies including prefeasibility, environmental, engineering and design studies to further enable the future operation of the mine. There are also supporting works and the acquisition of asset undertaken by another corporation that represents all Groote Eylandt clans, Groote Holdings Aboriginal Corporation, which will support the function of the mine through the development of additional supporting infrastructure.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Anindilyakwa Advancement Aboriginal Corporation and Controlled Entity.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 339.5 of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 for the year ended 30 June 2023 has been received and can be found on page 6 of the financial report.

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

Director: SILAS BARA

Signature: S Bara

Dated: 16-10-23

Director: Rita Bara

Signature: RBara

Dated: 16/10/23

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ANINDILYAKWA ADVANCEMENT ABORIGINAL CORPORATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Anindilyakwa Advancement Aboriginal Corporation and the entity it controlled during the year.

PKF

PKF BRISBANE AUDIT

CAMERON BRADLEY
PARTNER

BRISBANE
16 OCTOBER 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

	Notes	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Income					
Revenue	**4**	5,826,578	6,949,732	5,826,578	6,949,732
Other Income	**5,6**	6	34,963	-	-
Total Income		**5,826,584**	**6,984,695**	**5,826,578**	**6,949,732**
Expenses					
Depreciation	**14**	284,241	12,219	1,397	202
Employee benefits		825,274	842,404	17,696	-
Financing expense		151,353	146,944	-	-
Insurance expense		121,719	34,098	-	-
IT and website expenses		-	281	-	-
Other expenses		502,767	408,551	291,409	483,664
Professional fees	**7**	125,498	133,540	62,753	27,688
Travel and accommodation		51,834	11,145	12,976	-
Total Expenses		**2,062,686**	**1,589,182**	**386,232**	**511,554**
Profit before income tax		**3,763,898**	**5,395,513**	**5,440,347**	**6,438,178**
Income tax expense	**2(b),8**	419,943	260,910	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income/loss for the year		**4,183,841**	**5,656,423**	**5,440,347**	**6,438,178**
Total comprehensive income for the year attributable to:					
Members of the parent entity		4,722,625	5,969,124	5,440,347	6,438,178
Non-controlling interest		(538,784)	(312,701)	-	-
		4,183,841	**5,656,423**	**5,440,347**	**6,438,178**

Consolidated Statement of Financial Position
As at 30 June 2023

	Notes	Consolidated		Parent	
		2023	2022	2023	2022
		$	$	$	$
Current assets					
Cash and cash equivalents	**9**	3,304,619	4,839,416	3,249,156	4,814,982
Trade and other receivables	**10**	76,494	69,324	72,112	50,494
Other assets	**11**	40,234	47,716	-	-
Total current assets		**3,421,347**	**4,956,456**	**3,321,268**	**4,865,476**
Non-current assets					
Investments in subsidiaries	**12,21**	-	-	93	60
Amount due from subsidiary	**13**	-	-	13,301,109	11,617,183
Property, plant and equipment	**14**	3,072,639	3,364,191	5,444	5,478
Deferred tax assets	**8(c)**	1,235,636	815,693	-	-
Exploration and evaluation assets	**15**	-	21,411,080	-	1,138,933
Mining development assets	**16**	26,237,144	-	5,643,344	-
Asset guarantee deposits	**17**	398,557	378,894	-	-
Capitalised project expenses	**18**	2,617,547	1,055,271	2,617,547	1,055,271
Total non-current assets		**33,561,523**	**27,025,129**	**21,567,538**	**13,816,925**
Total assets		**36,982,870**	**31,981,585**	**24,888,806**	**18,682,401**
Current liabilities					
Trade and other payables	**19**	984,671	344,916	936,078	170,020
Employee benefits		50,564	43,889	-	-
Total current liabilities		**1,035,235**	**388,805**	**936,078**	**170,020**
Non-current liabilities					
Borrowings	**20**	5,196,419	5,045,067	-	-
Provision for rehabilitation costs	**22**	398,557	378,894	-	-
Total non-current liabilities		**5,594,976**	**5,423,961**	**-**	**-**
Total liabilities		**6,630,211**	**5,812,766**	**936,078**	**170,020**
Net assets		**30,352,660**	**26,168,819**	**23,952,728**	**18,512,382**
Equity					
Reserves		8,380,323	7,776,512	-	-
Retained earnings		21,828,844	17,106,219	23,952,728	18,512,382
Equity attributable to the owners of Anindilyakwa Advancement Aboriginal Corporation		30,209,167	24,882,731	23,952,728	18,512,382
Non-controlling interest		143,493	1,286,088	-	-
Total equity		**30,352,660**	**26,168,819**	**23,952,728**	**18,512,382**

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

		Consolidated			
	Notes	Retained Earnings $	Parent Equity Reserve $	Non-controlling Interests $	Total $
2022					
Balance at 1 July 2021		**11,137,095**	**7,776,512**	**1,598,789**	**20,512,396**
Profit attributable to members of the parent entity		5,969,124	-	-	5,969,124
Profit attributable to non-controlling interests		-	-	(312,701)	(312,701)
Balance at 30 June 2022		**17,106,219**	**7,776,512**	**1,286,088**	**26,168,819**
2023					
Balance at 1 July 2022		**17,106,219**	**7,776,512**	**1,286,088**	**26,168,819**
Reduction of non-controlling interest		-	603,811	(603,811)	-
Profit attributable to members of the parent entity		4,722,625	-	-	4,722,625
Profit attributable to non-controlling interests		-	-	(538,784)	(538,784)
Balance at 30 June 2023		**21,828,844**	**8,380,323**	**143,493**	**30,352,660**

Consolidated Statement of Changes in Equity
For the Year Ended

	Notes	Parent Retained Earnings $	Total $
2022			
Balance at 1 July 2021		**12,704,204**	**12,074,204**
Profit attributable to members of the parent entity		6,438,178	6,438,178
Balance at 30 June 2022		**18,512,382**	**18,512,382**
2023			
Balance at 1 July 2022		**18,512,382**	**18,512,382**
Profit attributable to members of the parent entity		5,440,347	5,440,347
Balance at 30 June 2023		**23,952,729**	**23,952,729**

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2023

	Notes	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Cash flows from operating activities					
Receipts from customers		5,826,584	6,954,179	5,826,578	6,949,732
Payments to suppliers and employees		(1,711,198)	(1,246,916)	(384,834)	(479,352)
Net cash provided by operating activities		**4,115,386**	**5,707,263**	**5,441,744**	**6,470,380**
Cash flows from investing activities					
Proceeds from insurance		-	30,515	-	-
Payments for property, plant & equipment		(6,283)	(269,644)	(1,363)	(5,681)
Payments for projects		(1,562,276)	(879,135)	(1,562,276)	(897,135)
Payment for mining & exploration project		(4,081,624)	(2,798,505)	(3,759,971)	(1,138,933)
Net cash (used in) investing activities		**(5,650,183)**	**(3,934,769)**	**(5,323,610)**	**(2,041,749)**
Cash flows from financing activities					
Funding provided to subsidiary		-	-	(1,683,960)	(347,283)
Proceeds from loans		-	-	-	-
Net cash provided by financing activities		**-**	**-**	**(1,683,960)**	**(347,283)**
Net change in cash and cash equivalents held		**(1,534,797)**	**1,790,484**	**(1,565,826)**	**4,081,348**
Cash and cash equivalents at start of year		**4,839,416**	**3,048,932**	**4,814,982**	**733,634**
Cash and cash equivalents at end of year	**10**	**3,304,619**	**4,839,416**	**3,249,156**	**4,814,982**

Anindilyakwa Advancement Aboriginal Corporation

The consolidated financial report covers Anindilyakwa Advancement Aboriginal Corporation “the Corporation” and its Controlled Entity, Winchelsea Mining Pty Limited “the Subsidiary”. The Corporation is a not-for- profit Corporation, registered with the Office of the Registrar of Indigenous Corporations (ICN: 8751), and is domiciled in Australia. The Subsidiary is a for-profit Company, incorporated under the Corporations Act 2001 (ACN: 626 747 037), and is domiciled in Australia. The Anindilyakwa Advancement Aboriginal Corporation and Controlled Entity are collectively referred to as 'the Group'.

The Corporation holds seventy-percent (70%) of the share capital issued by Winchelsea Mining Pty Limited (2022: 60%). The Corporation has accounted for the remaining thirty-percent (30%) which is owned by Aus China International Mining Pty as a non-controlling interest accordingly (2022: 40%).

The Subsidiary was established in 2018 and the mining project is part of a comprehensive economic strategy to enhance Groote’s Future Fund to maintain important economic, cultural and community programs for the island’s people permanently into the future. Winchelsea will be an Aboriginal owned and operated mining venture. The core vision of the project is to raise enough revenue to permanently support the economic and social future of all Anindilyakwa speaking clans of the Groote Archipelago.

The Subsidiary holds an Exploration License on ‘Akwamburrkba' (Winchelsea Island). The Subsidiary also holds a Mineral Lease on this site for a period of 30 years which was granted on 25 March 2022.

The Subsidiary is currently completing a Business Feasibility Study and progressing through various regulatory approval processes which is expected to be completed in 2024. Mine development should occur in 2024 targeting an operational start-up and manganese ore sales by 2025.

The registered office and principal place of business of the Group is:

Level 15, Charles Darwin Centre
19 Smith Street
Darwin City NT 0800

The functional and presentation currency of Anindilyakwa Advancement Aboriginal Corporation and Controlled Entity is Australian dollars ($AUD) and all amounts have been rounded to the nearest dollar.

The financial report was authorised for issue by the Directors on 16 October 2023.

1. Basis of Preparation

The general purpose financial reports of the Group and the Corporation have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB' and the Corporations (Aboriginal and Torres Strait Islander) Act 2006.

The Directors have opted to adopt AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

1. Basis of Preparation (continued)

The financial reports of the Group and Corporation have been prepared on an accruals basis and are based on historical costs. Comparatives are consistent with prior years, subject to those which have changed from a presentation perspective, as required on application of new accounting standards and interpretations adopted during the year.

Significant accounting policies adopted by the Group and Corporation in the preparation of this financial report is presented below and are consistent with prior reporting periods unless otherwise stated.

Basis of Consolidation

The consolidated financial report includes the financial position and performance of Anindilyakwa Advancement Aboriginal Corporation and its controlled entity, Winchelsea Mining Pty Limited, from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities have been eliminated in full for the purpose of these consolidated financial report.

Appropriate adjustments have been made to the controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. The controlled entity has a 30 June financial year end.

2. Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.
None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

(a) Revenue and other income (continued)

Income of Not-for-Profit Entities (AASB 1058)

Under AASB 1058 Income of Not-for-Profit Entities, the Corporation recognises revenue on a basis that reflects the fair value of goods, services, and assets (such as cash, inventories and property, plant and equipment), which have been provided or transferred to the Corporation for nil or nominal consideration, and is deemed to further the objectives of the Corporation**.**

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Project funding from Anindilyakwa Land Council (ALC)

The Anindilyakwa Land Council ("ALC") has provided funding to the Corporation for the following projects:

- Banking feasibility and future funding consultants;
- Environmental Impact Studies;

The funds provided by the ALC are in accordance with Section 64(3) Aboriginal Land Rights Act Northern Territory ("ALRA"). Under Section 64(3) of the ALRA, the Corporation does not have any enforceable performance obligations to expend the funds as intended. On this basis the Corporation recognises Section 64(3) funding as revenue upon receipt.

The Corporation undertakes progress reporting on an annual basis, at the request of the ALC. Future funding provided by the ALC is contingent on the outcome of the progress reports and project performance.

(b) Income Tax

The Corporation is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. The Corporation was endorsed as a charity effective 1st July 2021.

The Subsidiary is not exempt from income tax. The tax expense/(benefit) of the Subsidiary recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense/(benefits) plus deferred tax expense.

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

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial report.

(b) Income Tax (continued)

Deferred tax is not provided for the following:

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

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.
Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

(d) 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.

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

AASB1060(37)
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.

(f) Exploration and development expenditure
Exploration is defined as the search for potential mineralisation after the Group has obtained legal rights to explore in a specific area and includes topographical, geological, geochemical and geophysical studies and exploratory drilling, trenching and sampling.

Evaluation is defined as the determination of the technical feasibility and commercial viability of a particular prospect. Activities conducted during the evaluation phase include the determination of the volume and grade of the deposit, examination and testing of extraction methods and metallurgical or treatment process, surveys of transportation and infrastructure requirements, and market and finance studies.

Exploration and evaluation assets, including the costs of acquiring licences, are capitalised on an area of interest basis and only after the Group has obtained the legal rights to explore the area.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not (at the reporting date) reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Since the reporting date, most of the traditional exploration activities have been undertaken and the project is currently in the final stage of the exploration and evaluation stage, which is the evaluation process. This final process includes evaluating the technical feasibility and commercial viability of extracting the mineral resources.

(f) Exploration and development expenditure (continued)

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are not allocated to cash generating units.

Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalised expenditure is not expected to be recovered, it is charged to the profit or loss. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

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

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

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

Costs of site restoration
The mining extraction and processing activities of Anindilyakwa Advancement Aboriginal Corporation and Controlled Entity normally give rise to obligations for site closure or rehabilitation.

Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs of that stage. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly.

The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense which is recognised in finance costs. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

(f) Exploration and development expenditure (continued)

The Mining Project will see a large scale of infrastructure built on Winchelsea Island and the Little Paradise site on Groote Eylandt. Where possible, the buildings will be repurposed for future projects, such as multi use facilities and relocatable buildings. Beyond the life of the mine, it is intended there will be other various projects, including an aquaculture business, as well as other businesses such as tourism, timber mills and restaurants. There is a final project feasibility study being conducted which will detail a closure plan and mine rehabilitation including associated estimated costs for the specific site restoration costs.

The current mining tenements are Exploration Licences and as such the holder is required to pay a mining security to Northern Territory Government. As of 30 June 2023, the Subsidiary paid a total of $398,557 Mining Security which are to cover costs for the rehabilitation of the site and recorded as an asset guarantee deposit in the statement of financial position.

Changes in cost estimates

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

Change in Accounting Policy

The exploration and evaluation asset has been transferred to a Mining Development Asset. The activity and prefeasibility studies of the mine have reached a stage where the technical feasibility and commercial viability of an area of interest are demonstrable, and this change has occurred from 30 June 2023.

(g) Mining Property and Development

RECOGNITION & MEASUREMENT

Mine property and development assets includes costs transferred from exploration and evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable. After transfer, all subsequent mine development expenditure is similarly capitalised, to the extent that commercial viability conditions continue to be satisfied. The costs of dismantling and site rehabilitation are capitalised, if the recognition criteria is met and included within mining property and development.

Costs allocated to the Mining Developments Costs includes historical capitalised exploration costs, costs of the mining exploration tenements and leases, and costs for mine planning and other prefeasibility expenditure for supporting work required for the mine operation.

Biodiversity assets are included within mining property and development and relate to land acquired and managed to fulfil the biodiversity obligations associated with mine approval. The cost of the land is capitalised as a mining property and development asset which is subsequently depreciated via the units of production method.

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment is depreciated on a reducing balance basis over the assets useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Mining restoration and rehabilitation	Life of mine
Plant and equipment	1 - 20 Years

Depreciation of mining and rehabilitation assets will commence at start of production.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(i) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Classification

On initial recognition, the Group classifies its financial assets into those measured at amortised cost.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

(i) Financial Instruments (continued)

The Group's financial assets measured at amortised cost comprise trade and other receivables, payroll advances and cash and cash equivalents in the statements of financial position - group and corporation. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

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

(j) 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.

(k) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(l) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statements of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Closure and Rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling, removal or treatment of waste materials, site, and land rehabilitation.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at, or after, the time of closure, for disturbance existing at the reporting date.

Routine operating costs that shares impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as: the life and nature of the asset, which is informed by the demand for commodities, carbon pricing and other variables; the operating licence conditions; and the environment in which the mine operates. Expenditure may occur before and after closure and can continue for an extended period of time depending on closure and rehabilitation requirements.

Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly.

(m) Provisions (continued)

The value of the provision is progressively increased over time due to the effect of discounting unwind and inflation, creating an expense recognised in finance expenses.

Closure and rehabilitation provisions are also adjusted for changes in costs and estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the depreciated capitalised cost of the related assets, in which case the capitalised cost is reduced to nil and the remaining adjustment is recognised first against other items in property, plant and equipment, and subsequently to the statements of profit or loss and other comprehensive income. In the case of closed sites, changes to estimated costs are recognised immediately in the statements of profit or loss and other comprehensive income. Changes to the capitalised cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved

3. Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers.

As the Group is in its second year of operation, the items of identifiable property, plant and equipment have been recorded at cost, and have not been revalued for impairment. The Group's plant and equipment are being depreciated based on the ATO guidelines for useful life of assets.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - provision for rehabilitation costs

The provision for rehabilitation costs is recorded at cost, this amount is based on mining security payments made to the Northern Territory Government. These amounts are expected to offset the provision for rehabilitation costs, and as such the amount has not been revalued to present value as the net provision balance is nil.

3. Critical Accounting Estimates and Judgments (continued)

Key estimates - life of mine

The life of the mine for the purposes of the Mining Capital Expenditure has been estimated to be 13 Years (2022: 15 years). This estimate is based on prefeasibility studies and planning that the mine should commence shipping in 2025 after the finalisation of prefeasibility studies and mining capital infrastructure and supporting infrastructure, with an end life from 2037.

Key judgements - impairment of exploration and evaluation asset

The exploration and evaluation asset has been assessed for impairment under AASB 6. It has been concluded from pre-feasibility and geological studies that the carrying amount of the exploration and evaluation asset exceeds its recoverable amount and this asset is not to be impaired this financial year.

Key judgements - capitalisation of exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Control assessment

The Corporation is the largest shareholder in Winchelsea Mining Pty Limited and owns 70% of the voting interest. There is only one other shareholder who owns 30% of the voting interest. Based on the voting patterns and power able to be exerted by Anindilyakwa Advancement Aboriginal Corporation, management has determined that Winchelsea Mining Pty Limited is controlled by Anindilyakwa Advancement Aboriginal Corporation, and therefore forms part of the consolidated entity.

4. Revenue

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Income recognised on receipt (AASB 1058)				
Project funding from Anindilyakwa Land Council in accordance with Section 64(3) of ALRA				
Operational working capital	2,060,000	-	2,060,000	-
Logistics project income	-	1,386,700	-	1,386,700
Traditional owner grant	-	174,869	-	174,869
Banking feasibility studies funding	2,440,470	4,000,000	2,440,470	4,000,000
Environmental impact studies funding	1,326,108	1,388,163	1,326,108	1,388,163
Total project funding from Anindilyakwa Land Council in accordance with Section 64(3) of ALRA	**5,826,578**	**6,949,732**	**5,826,578**	**6,949,732**

5. Interest income

Income recognised using effective interest method				
Interest Income	6	279	-	-
Total Income recognised using effective interest method	**6**	**279**	-	-

6. Other income

Other Income				
Other Income	-	34,684	-	-
Total Other Income	**-**	**34,684**	-	-

7. Auditor's remuneration

	2023	2022
	$	$
Remuneration of the auditor PKF Brisbane Audit, for auditing	13,800	15,000

8. Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2023 $	2022 $
Current tax expense		
Income tax in the current period	419,943	260,910
Deferred tax expense		
Change in unrecognised deductible temporary difference	419,943	260,910
Total (a) The major components of tax expense (income) comprise:	**419,943**	**260,910**
(b) Reconciliation of income tax to accounting profit:		
Profit before income tax (Subsidiary)	(1,676,448)	(1,042,662)
Tax payable on profit before income tax at 25% (2022: 25%)	(419,112)	(260,666)
Add:		
Tax effect of:		
- non-deductible expenses	32,534	32,685
- accrued expenses	3,592	3,750
- tax losses carried forward	506,661	786,925
- difference between accounting and tax depreciation	-	46,690
- movement in deferred tax asset	419,943	260,910
- pre-payments deducted in current year	1,871	-
Less:		
Tax effect of:		
- government technology boost	(1,206)	-
- pre-payments deducted in current year	-	(4,718)
- Exploration Lease tax deduction	(41,983)	(41,983)
- Exploration Assets deductible as incurred	(80,413)	(562,683)
- Difference between accounting and tax depreciation	(1,944)	-
Total (b) Reconciliation of income tax to accounting profit:	**419,943**	**260,910**
(c) Deferred tax asset		
Opening balance	815,693	554,783
Change in unrecognised deductible temporary difference	419,943	260,910
Total	**1,235,636**	**815,693**

Income tax is only calculated and payable for the subsidiary Winchelsea Mining Pty Limited. The Corporation is a not-for-profit entity and does not have any income tax liabilities for its own operations.

9. Cash and cash equivalents

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Current				
Cash at bank	3,304,619	4,839,416	3,249,156	4,814,982
Total cash and cash equivalents	**3,304,619**	**4,839,416**	**3,249,156**	**4,814,982**

10. Trade and other receivables

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Trade receivables				
Trade receivables	81,174	69,324	72,112	50,494
Provision for doubtful debts	(4,680)	-	-	-
Total Trade and Other Receivables	**76,494**	**69,324**	**72,112**	**50,494**

11. Other assets

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Other assets				
Office Rental Bond	1,554	1,554	-	-
Prepayments	38,680	46,162	-	-
Total Trade and Other Receivables	**40,234**	**47,716**	**-**	**-**

12. Interest in subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
Subsidiaries:		2023	2022
Winchelsea Mining Pty Limited	Australia	70	60

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

13. Amount due from subsidiary

	Parent	
	2023	2022
	$	$
Non-current	13,301,109	11,617,183
Total Amount due from Subsidiary	**13,301,109**	**11,617,183**

14. Property, plant and equipment

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Plant and equipment				
Plant and Equipment at cost	875,060	933,676	7,043	5,680
Accumulated Depreciation	(426,202)	(365,931)	(1,599)	(202)
Total Plant and Equipment	**448,858**	**567,745**	**5,444**	**5,478**
Mining restoration and rehabilitation				
Mining restoration and rehabilitation at cost	398,557	378,894	-	-
Total Mining restoration and rehabilitation	**398,557**	**378,894**	**-**	**-**
Mining infrastructure project pool				
Mining infrastructure project pool at cost	3,349,702	3,349,702	-	-
Accumulated Depreciation	(1,124,478)	(932,150)	-	-
Total Mining infrastructure project pool	**2,225,224**	**2,417,552**	**-**	**-**
Total Property, Plant and Equipment	**3,072,639**	**3,364,191**	**5,444**	**5,478**

a) Movements in Carrying Amounts

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

	Consolidated			
Year ended 30 June 2023	**Plant and Equipment**	**Mining restoration and rehabilitation**	**Mining infrastructure project pool**	**Total**
	$	$	$	$
Balance at the beginning of year	**567,745**	**378,894**	**2,417,552**	**3,364,191**
Additions	6,283	19,663	-	25,946
Disposals	(33,257)	-	-	(33,257)
Depreciation expense	(91,913)	-	(192,328)	(284,241)
Balance at the end of year	**448,858**	**398,557**	**2,225,224**	**3,072,639**

14. Property, plant and equipment (continued)

Parent		
Year ended 30 June 2023	**Plant and Equipment**	**Total**
	$	**$**
Balance at the beginning of year	**5,478**	**5,478**
Additions	1,363	1,363
Disposals	-	-
Depreciation expense	(1,397)	(1,397)
Balance at the end of year	**5,444**	**5,444**

In accordance with AASB 6 'Exploration for and Evaluation of Mineral Resources', the Group has not capitalised any depreciation in 2023 (2022: $99,294). In 2022 depreciation expense of plant and equipment that was directly attributable to the exploration phase and reported as an exploration and evaluation asset within the statement of financial position. The depreciation on other overhead assets is reported within the statement of profit and loss.

15. Exploration and evaluation assets

	Consolidated		**Parent**	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Non-current				
Exploration and evaluation assets	**-**	**21,411,080**	**-**	**1,138,933**
Balance at beginning of the year	**21,411,080**	**18,021,416**	**1,138,933**	**-**
Expenditure incurred during the year	321,653	3,389,664	-	1,138,933
Asset reclassified to mining development	(21,732,733)	-	(1,138,933)	-
Balance at end of the year	**-**	**21,411,080**	**-**	**1,138,933**

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

The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use. During the year the project has reached a stage where technical feasibility and commercial viability of the project are demonstrable. The exploration asset was tested for impairment of which there was no impairment loss, and been reclassified as a development asset which will be depreciated via the units of production method once mining has commenced.

16. Mining Development Assets

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Non-current				
Mining and development assets	**26,237,144**	**-**	**5,643,344**	**-**

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Balance at beginning of the year	**-**	**-**	**-**	**-**
Asset reclassified from exploration asset	21,732,733	-	1,138,933	-
Additional development expenditure	4,504,411	-	4,504,411	-
Balance at end of the year	**26,237,144**	**-**	**5,643,344**	**-**

Mining development expenditure				
Mining development assets at cost	18,737,144	-	5,643,344	-
Total mining development expenditure	**18,737,144**	**-**	**5,643,344**	**-**
Mining tenements				-
Mining tenements at cost	7,500,000	-	-	-
Total mining infrastructure project pool	**7,500,000**	**-**	**-**	**-**
Total mining development asset	**26,237,144**	**-**	**5,643,344**	**-**

Movement in the carrying amounts for each class of mining development asset between the beginning and the end of the current financial year:

Year ended 30 June 2023	**Mining development expenditure**	**Mining tenements**	**Total**
	$	$	$
Balance at the beginning of year	-	-	-
Additions from asset reclassification	14,232,733	7,500,000	**21,732,733**
Additional expenditure	4,504,411	-	-
Impairment of assets	-	-	-
Balance at the end of year	**18,737,144**	**7,500,000**	**26,237,144**

17. Asset guarantee deposit

	Consolidated	
	2023	2022
	$	$
Non-current		
Total asset guarantee deposit	**398,557**	**378,894**

The current mining tenements are Exploration Licences and as such the holder is required to pay mining security to Northern Territory Government. As of 30 June 2023, the Subsidiary paid a total of $398,557 Mining Security which is to cover costs for the rehabilitation of the site.

18. Capitalised Project Expenses

	2023	2022
	$	$
Non-current		
Barge & Ramp Infrastructure	333,486	86,454
Little Paradise	1,505,427	772,474
Little Paradise Environmental Impact Survey	166,295	49,983
Quarry	83,316	36,070
Solar Farm	70,386	50,000
Lease 1 & 2 Logistics Base Camp & Aquaculture Facility	108,886	57,590
Lease 3 Forestry & Timber	7,900	500
Lease 6 Vehicle Centre	28,026	2,200
Lease 7 LDM Housing Estate	277,755	-
Lease 8 Workers Village	36,070	-
Total capitalised projects expenses	**2,617,547**	**1,055,271**

The following projects have commenced during the year. The amounts are recorded on a cost-basis and have not yet been depreciated or tested for impairment. On completion of each project these costs will be converted to their own assets and be included as part of the fixed assets.

19. Trade and other payables

	Consolidated		Parent	
	2023	**2022**	**2023**	**2022**
Current	**$**	**$**	**$**	**$**
Trade payables	762,220	294,558	751,052	156,020
Other payables	222,451	50,358	185,026	14,000
Total trade and other payables	**984,671**	**344,916**	**936,078**	**170,020**

20. Borrowings

	Consolidated	
	2023	**2022**
Non-current	**$**	**$**
Related party funding	1,095,597	1,063,686
Other financial liabilities	4,100,822	3,981,381
Total borrowings	**5,196,419**	**5,045,067**

21. Issued Shares in Winchelsea Mining Pty Limited

	2023	**2023**	**2022**	**2022**
	No.	**$**	**No.**	**$**
At the beginning of the reporting period	10,000	10,000,060	10,000	10,000,060
Shares issued during the year				
- Anindilyakwa Advancement Aboriginal Corporation	3,333	33	-	-
- Aus China International Mining Pty Limited	-	-	-	-
At the end of the reporting period	**13,333**	**10,000,093**	**10,000**	**10,000,060**
Share Capital Attributable to:				
- Anindilyakwa Advancement Aboriginal Corporation	9,333	93	6,000	60
- Aus China International Mining Pty Limited	4,000	10,000,000	4,000	10,000,000
Total share capital paid up	**13,333**	**10,000,093**	**10,000**	**10,000,060**

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. Each Director is entitled to cast one vote at a Board meeting. If one Director appointed by a Shareholder is absent, another Director appointed by that Shareholder who is present and entitled to vote at the Board meeting may cast the absent Director's vote.

In 2019 the Subsidiary issued 4,000 Ordinary 1 shares to Aus China International Mining Pty Limited for $10,000,000. On the 28th April 2023 the Company issued 3,333 Ordinary Shares to Anindilyakwa Advancement Aboriginal Corporation for $33.33.

22. Provisions

Provision for rehabilitation costs

There is currently no additional liability for rehabilitation costs on-top of the mining security payments made to the Northern Territory Government. As the land is to be re-purposed rather than returning it to its original state, as is the normal occurrence for a mine, this also reduces the future provision for rehabilitation of the site. The mine site at closure is currently being proposed to be developed into world-class aquaculture facilities which will provide future jobs and income to the people of the Groote Archipelago, and many of the facilities that are being built are being acquired with the aim of being multi-use facilities.

As at 30 June 2023, provision for rehabilitation costs is $398,557 (2022: $378,894)

23. Key management personnel remuneration

Key management personnel of the Corporation during the year were as follows:

Rita Bara	(Director, appointed: 13 December 2017)
Archie Jaragba	(Director, appointed: 13 December 2017)
Lionel Jaragba	(Director, appointed: 13 December 2017)
Saniva Jaragba	(Director, appointed: 6 December 2018)
Silas Bara	(Director, appointed: 6 December 2018)
Bradley Bara	(Director, appointed: 23 January 2020)
Nesman Bara	(Director, resigned 31 August 2022)
Nicholas Johansen	(Secretary of the Corporation, appointed: 16 August 2018)

Key management personnel of the Subsidiary during the year were as follows:

Mark Hewitt	(Director and Secretary, appointed: 18 June 2018)
Dongfang Yu	(Director, appointed: 1 September 2018)
Hui Yu	(Director, appointed: 1 September 2018)
Tony Wurramarrba	(Director, appointed: 1 September 2018)
Xiaoli Liu	(Executive Assistant, appointed: 10 September 2018)

The total remuneration paid to key management personnel of Anindilyakwa Advancement Aboriginal Corporation and Controlled Entity during the year ended 30 June 2023 was $657,650 (30 June 2022: $729,713).

The total remuneration paid to key management personnel of Winchelsea Mining Pty Limited during the year ended 30 June 2023 was $398,763 (30 June 2022: $485,885) which is included in the above consolidated AAAC amount.

Transactions with key management personnel and other related parties are disclosed under Note 20 Related Parties.

24. Related Parties

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

Entities under common control:

The Anindilyakwa Advancement Aboriginal Corporation is the ultimate parent entity, which exercises control over Winchelsea Mining Pty Limited due to its majority shareholding.

Key management personnel:

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

A full listing of key management personnel is contained within Note 23 Key Management Personnel Remuneration.

Other related parties:

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

The Directors have determined Liam Andrews to be other related parties of the Group during the year ended 30 June 2023.

Close family members of key management personnel of the Anindilyakwa Advancement Aboriginal Corporation and Controlled Entity during the year were as follows:

- Bara Clan; and
- Jaragba Clan

Section 64 Distributions that have been received from the Anindilyakwa Land Council has been disclosed as related party transactions as the following directors of the parent and subsidiary are ALC elected members as set out below:

Tony Wurramarrba – ALC Chairman
Mark Hewitt – ALC CEO
Archie Jaragba – ALC Clan Representative
Lionel Jaragba – ALC Clan Representative
Bradley Bara – ALC Community Representative

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Amounts are advanced to some employees, and recouped overtime via deductions to their weekly pay, no interest is charged on these balances.

24. Related Parties (continued)

The following transactions occurred with related parties during the year:

Consolidated	s64 Funding received	Expenses	Wages	Balance outstanding: Owed to the Group	Balance outstanding: Owed by the Group
	S	$	$	$	$
Key management personnel	-	-	657,650	-	-
Other related parties	5,826,578	26,550	836	-	1,095,597
Total	**5,826,578**	**26,550**	**658,487**	**-**	**1,063,686**

Parent	s64 Funding received	Expenses	Wages	Balance outstanding: Owed to the Corporation	Balance outstanding: Owed by the Corporation
	S	$	$	$	$
Key management personnel	-	-	12,316	-	-
Other related parties	5,826,578	-	836	13,301,109	-
Total	**5,826,578**	**-**	**13,152**	**13,301,109**	**-**

The related party amount owed to the Corporation of $13,301,109 relates to the intercompany loan as set out in Note 14, and the s64 Funding relates to the project funding set out in Note 4.

(c) **Funding from related parties**

Related party funding is provided to Winchelsea Mining Pty Limited (the Subsidiary) on an arm's length basis.

As of 30 June 2023, the funding balance of $1,000,000 provided by Aus China International Mining Pty (ACN: 620 715 031) is unsecured. Interest is payable at 3% per annum and has been accrued to date.

As per the terms of the funding agreement, the outstanding amount is repayable out of the funds received by the Subsidiary pursuant to any Offtake Agreement. To the extent that proceeds from any initial Offtake Agreement are insufficient to repay the outstanding amount together with any other payment obligations due at that time, the outstanding amount is repayable from any further amounts received from future Offtake Agreements and/or revenue derived subsequently from the mine being developed by the Subsidiary.

24. Related Parties (continued)

Movements in related party funding during the year are outlined below:

Consolidated	**Opening balance**	**Closing balance**	**Interest not charged**	**Interest payable**
	$	**$**	**$**	**$**
Funding from related parties				
2023	1,000,000	1,000,000	-	95,597
2022	1,000,000	1,000,000	-	63,686

25. Contingencies

As reported in the 30 June 2020 financial statements, if the Subsidiary applies for a Mineral Lease, arising from the Groote Eylandt Tenements, the Subsidiary agrees it is obliged to pay a mineral lease payment of $10 million (plus GST if applicable) to Yukida Resources Pty Ltd as part of the consideration for the transfer to the company for the tenements.

On 3 March 2021, the Subsidiary entered into a variation agreement with Yukida Resources Pty Ltd to revise the mineral lease payment from $10 million to $2.5 million. As part of this revision, an additional $6.25 million is payable upon achieving the first milestone, being the first shipment of product.

As at the date the financial report was authorised for issue, no shipments of products have transpired.

Mine closure costs for the Subsidiary have been estimated at around $15 million over the life of the project. These will be brought into the financial statements as a provision once mining operations commences and the obligation arises.

The Corporation did not have any contingent liabilities as at 30 June 2023 (2022: Nil)

26. Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 16 October 2023 by the Board of Directors.

The Corporation received $2,060,000 from the Anindilyakwa Land Council in September 2023 for:

i) Banking Feasibility Studies and Environmental Impact Studies for Operations for Winchelsea Mining and Little Paradise;

ii) Operational Expenses for the Corporation and its subsidiary;

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Directors' Declaration

The Directors of the Corporation declare that:

1. The financial statements and notes of the Group and Corporation, as set out on pages 7 to 35, are in accordance with the *Corporations (Aboriginal and Torres Strait Islander)Act 2006*, and:

   a. Comply with Australian Accounting Standards – Simplified Disclosures; and

   b. Give a true and fair view of the financial position of the Group and Corporation as at 30 June 2023 and of the performance of the Group and the Corporation for the year ended.

2. In the Directors' opinion, there are reasonable grounds to believe that the Group and the Corporation will be able to pay their debts as and when they become due and payable.

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

Director Name: SILAS BARA

Signature: S. Bara

Date: 16-10-23

Director Name: Rita Bara

Signature: RBara

Date: 16/10/2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANINDILYAKWA ADVANCEMENT ABORIGINAL CORPORATION

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Anindilyakwa Advancement Aboriginal Corporation ("the Corporation") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of the Corporation is in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, including:

a) Giving a true and fair view of the Corporation's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

b) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

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

Independence

We are independent of the Corporation in accordance with 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.

Directors' Responsibilities for the Financial Report

The directors of the Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* 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 Corporation'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 Corporation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in 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 http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

PKF

PKF BRISBANE AUDIT

C Bradley

CAMERON BRADLEY
PARTNER

16 OCTOBER 2023
BRISBANE