



FIRSTAU

First Au Limited

ABN 65 000 332 918

Annual Report

For the Year Ended 31 December 2021

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First Au Limited

ABN 65 000 332 918

Corporate Directory

Directors:

Bryan Frost – Executive Chairman and Managing Director
Richard Revelins – Non-Executive Director
Damon O'Meara – Non-Executive Director
Michael Quinert – Non-Executive Director

Chief Executive Officer:

Ryan Skeen

Company Secretary:

Paul Godfrey

Chief Financial Officer:

David McBain

Auditors:

McLean Delmo Bentley Audit Pty Ltd
Level 3, 302 Burwood Road, Hawthorn, VIC, 3122

Lawyers:

QR Lawyers
Level 6, 400 Colins Street
Melbourne VIC 3000

Share Registry:

Link Market Services Limited
Tower 4, 727 Collins Street, Docklands, VIC, 3008
Telephone: (03) 9200 4555
Free call: 1300 554 474
Email: registrars@linkmarketservices.com.au

Stock Exchange:

Listed on the Australian Securities Exchange Limited ('ASX')
ASX Codes: FAU (shares) FAUOA (listed options)
Listed on: OTCQB Code FRSAF

Registered Office:

At the office of McBain McCartin & Co Business Services Pty Ltd
Level 1, 123 Whitehorse Road, Balwyn, VIC, 3103
Telephone: (03) 9817 0700
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Web: www.firstau.com

Principal Place of Business:

At the office of McBain McCartin & Co Business Services Pty Ltd
Level 1, 123 Whitehorse Road, Balwyn, VIC, 3103

Chairman's Address

Dear Shareholders,

2021 proved to be a successful year for your company, which success has continued into 2022.

VICTORIAN GOLD PROJECT, EAST GIPPSLAND, VICTORIA

FAU completed its maiden drilling program at the Snowstorm project and followed it with further drilling last year. 1,370m of diamond drilling over 12 holes resulted in intersections of 3.1m @ 11.6 g/t Au (from 54m) and 2.9m @ 3.41 g/t Au (from 19.3m).

FAU commenced a follow up 1,500m to test the extension of the mineralised zones. 11 holes of the 14 were completed by the end of 2021. Reports of the first 3 holes, released in early 2022, demonstrate positive results with intersections of 6.4m @ 4.1 g/t Au (from 28.5m) including 0.2m @ 59.2 g/t Au (from 29.3m) and 3.6m @ 5.3 g/t Au (from 60.9m) including 0.4m @ 23.8 g/t Au. This is an indication of robust mineralisation across the project area.

At the Dogwood project, historic (1990's) drilling by others, never followed up, gives us confidence to drill some exploratory holes. The Company has a well-planned drill program commencing in 2022 which will be testing the previous drilling by CRA Exploration which produced 13.2m @ 1.3% Cu.

GIMLET PROJECT, WESTERN AUSTRALIA

Located 10 km from Kalgoorlie, extensive drilling by FAU has delivered an Inferred Resource of 1,166,000 tonnes at an average of 3.2 g/t Au (120,000 oz @ 1g cut-off). Drilling throughout the year included a diamond hole to a depth of 445.75m, the deepest hole ever drilled along the Gimlet-Teal trend.

The Company is currently investigating ways it can advance the project, including advancing to production stage or reaching an agreement with a third party that delivers value to the Company. FAU also has a Mining Lease application progressing on the Gimlet Gold project, which if granted will add further value to the project.

MABEL CREEK, SOUTH AUSTRALIA

The Mabel Creek Project was new to the Company in 2021 and was identified through internal project generation of vacant ground. The tenements were identified from the South Australian Government \$250,000 competition named the "Gawler Challenge", a world-wide call for geologists and data scientists to uncover new exploration targets in the state's highly prospective Gawler Craton.

FAU has recently announced its first works on the project with a new geological interpretation of the project area, including identifying potential targets for drilling. FAU is currently applying for co-funding of a drill program through the South Australia Government's Advanced Discovery Initiative.

Yours faithfully



Bryan Frost

Executive Chairman and Managing Director

Review of Operations:

Victorian Gold Project

The Victorian Gold ("VicGold") Project is First Au's ("FAU") priority and the Company undertook a number of exploration programs to advance the projects over the reporting period. This includes multiple drill programs at the Snowstorm project, rock chip samples at the Haunted Stream project, LIDAR survey of the Snowstorm and Haunted Stream projects and geological reviews and interpretation of Snowstorm, Haunted Stream and Dogwood.

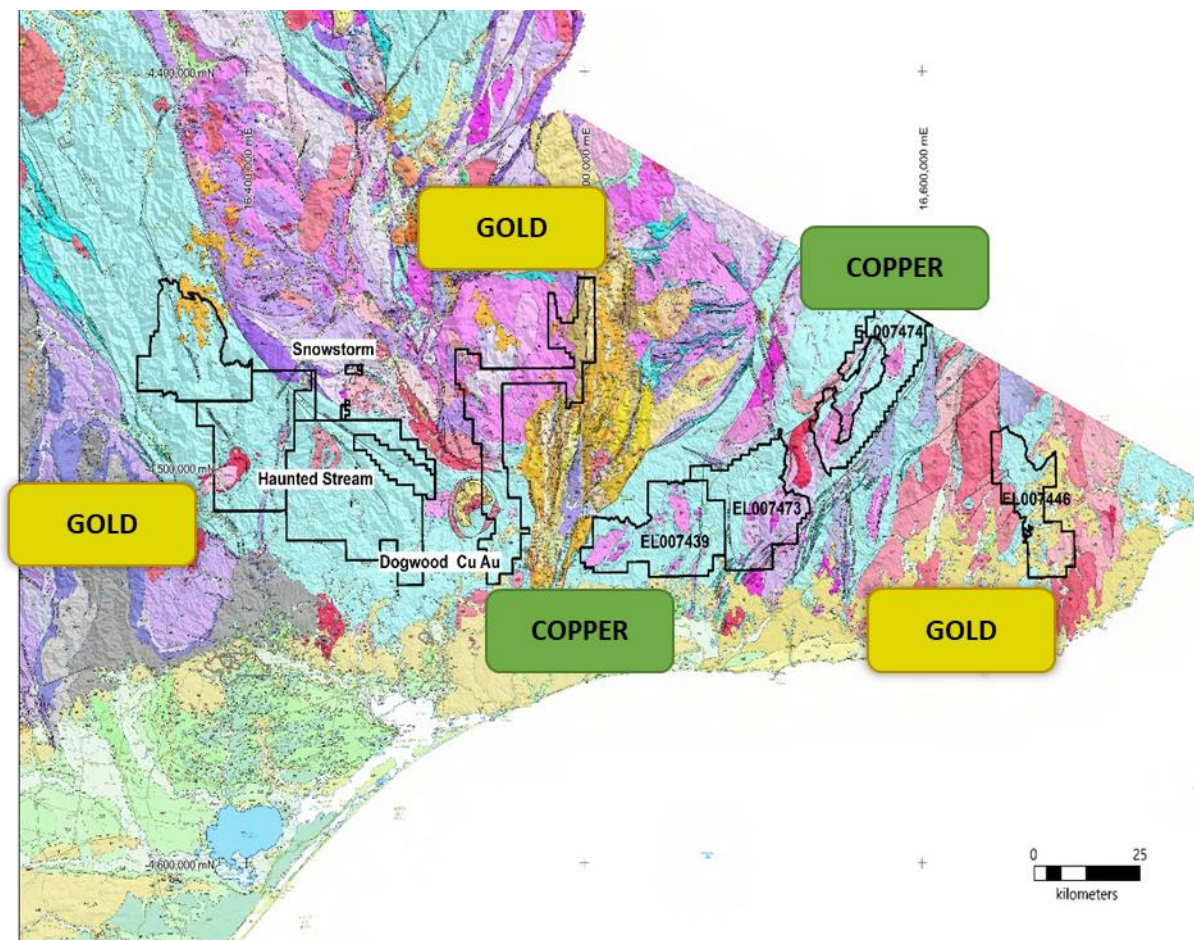


Figure 1. Map of Eastern Victoria highlights FAU's tenements and project locations

Snowstorm Gold Project

The Snowstorm Prospect is located within the historic Swifts Creek Goldfields in the East Gippsland region and is the Company's most advanced VicGold project. FAU commenced its maiden drilling campaign at its VicGold project with a diamond program of 1,370m over 12 holes at Snowstorm.

FAU announced early results from the maiden program at Snowstorm on 7 April 2021¹ with assays for two holes showing positive results. The holes produced the following intersections:

- **3.1m @ 11.6 g/t Au** from 53m, including **0.8m @ 33.3 g/t Au** from 54m (SNDDH002) (Figure 2)
- **3.4m @ 2.56 g/t Au** from 18.8m, including **1m @ 2.62 g/t Au** and **1m @ 5.24 g/t Au** from 20.8m (SNDDH005)

Review of Operations:

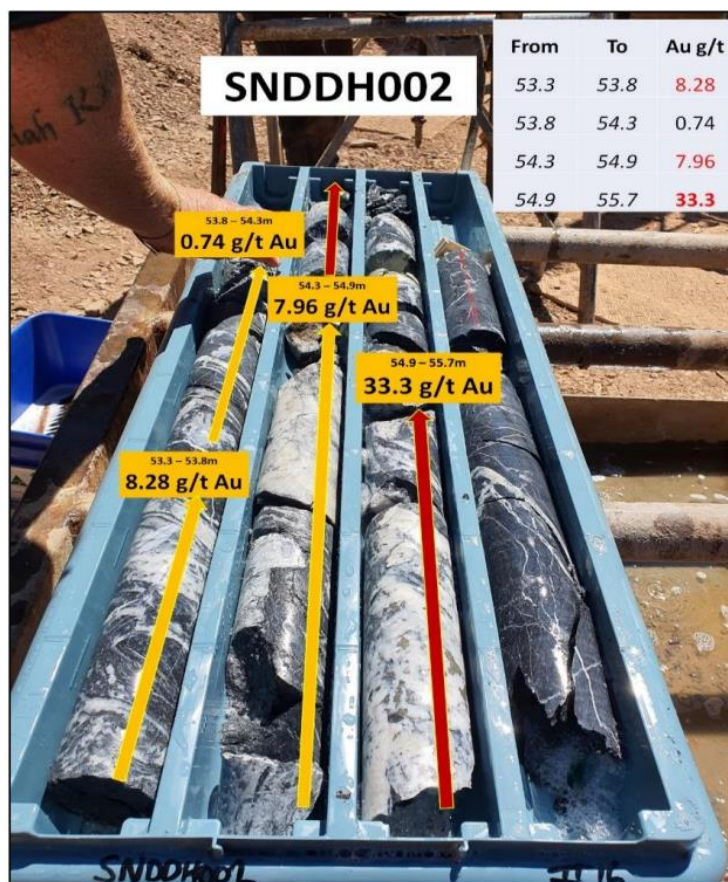


Figure 2. SNDDH002 diamond core with mineralised interval¹

The holes targeted mineralised trends identified from surface mapping and rock chip sampling during late 2020. Holes SNDDH002 and SNDDH005 were targeting steep south dipping mineralised trends (Figure 3).

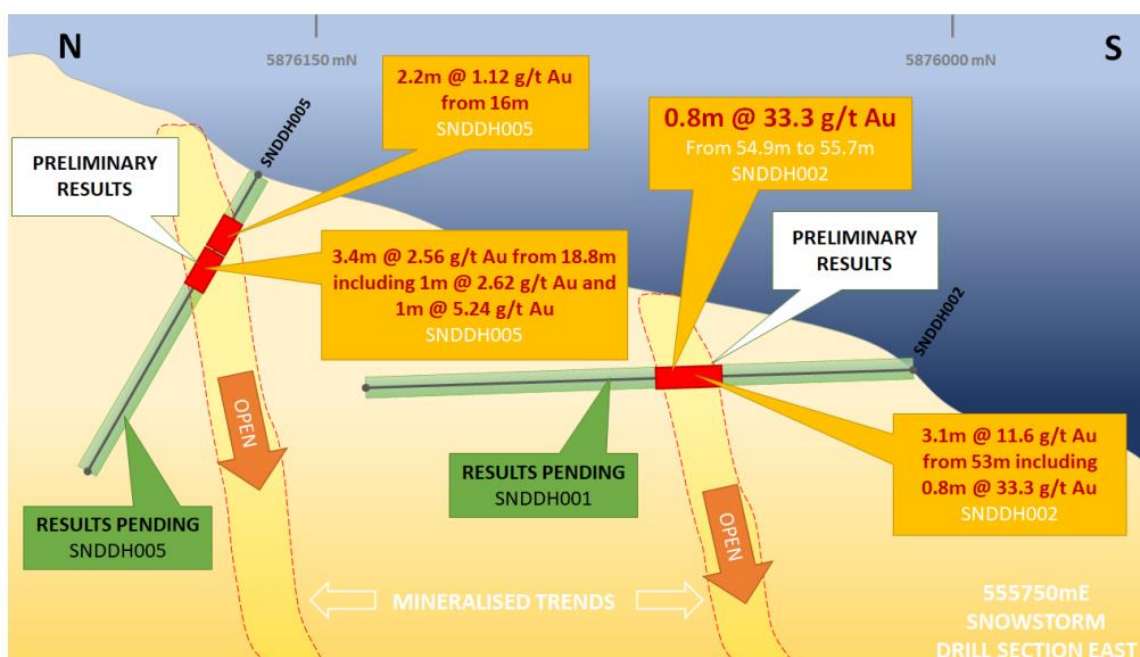


Figure 3. North-South section showing holes SNDDH002 and SNDDH005. All coordinates are in MGA94, Zone 55¹

Review of Operations:

FAU announced the assay results of the remaining holes from the program at the Snowstorm project on 10 June 2021². The results produced the following intersections:

- **1.2m @ 8.5 g/t Au**, from 63.6m, including **0.2m @ 49.3 g/t Au** (SNDDH001)
- **2.9m @ 2.27 g/t Au** from 26m (SNDDH003)
- **9.7m @ 0.63 g/t Au** from 2.5m, including **2m @ 1.35 g/t Au** and **1.3m @ 1.12 g/t Au** and **0.7m @ 14.6 g/t Au** from 28.2m (SNDDH004)
- **2.9m @ 3.41 g/t Au** from 19.3m, including **1m @ 5.74 g/t Au** (SNDDH005)
- **1.5m @ 10.71 g/t Au** from 65m (SNDDH007)
- **1.1m @ 1.05 g/t Au** from 149.9m, (SNDDH008)
- **5.5m @ 0.72 g/t Au** from 36m, **1.3m @ 1.98 g/t Au** from 50.1m, and **0.9m @ 4.4 g/t Au** from 134m (SNDDH012)

The program was considered to be successful for the a maiden drill program. The drill results were able to identify high grade shoots (> 1 oz/t Au) and associated lower grade halos and provides new geological insight to that generated new drill targets for the follow up program.

The drilling intersected numerous altered and mineralised mafic dykes across the project area which are considered analogous to the Walhalla and Woods Point Dyke Swarm system (Victoria), where some 2.4Moz of reported aggregated Gold was historically mined. Altered mafic dykes were intersected in all 12 holes highlighting the extent of the dyke intrusions.

A diversity of quartz veining occurs immediately adjacent the mafic dykes with only the laminated veins and associated stockworks containing gold. Carbonate and sulphide alteration halo the mineralised quartz-veins (Figure 4).

Following the success of the maiden drill program, the Company announced on 16 September 2021 that it was commencing a follow up diamond drill program. The program was expected to be ~1,500m and aiming to delineate economic widths along the Dispute Reef (lower) and Rex's Reef (upper) (Figure 5). Specifically targeting the SW extension of the intersections from the maiden program of **3.1m @ 11.6 g/t Au** (SNDDH002)¹ and **2.9m @ 3.41 g/t Au** (SNDDH005)² (Figure 5).

On 14 January 2022 (subsequent to the reporting period) the Company announced the assays results from the first three holes of the follow up program³. The results demonstrated robust intervals with the following intersections:

- **1.65m @ 1.5 g/t Au** from 38.5m (SNDDHP2001)
- **6.4m @ 4.1 g/t Au** from 28.5m, including **0.2m @ 59.2 g/t Au** from 29.3m and **0.85m @ 9.6 g/t Au** from 33.15m (SNDDHP2002)
- **3.6m @ 5.3 g/t Au** from 60.9m, including **0.4m @ 23.8 g/t Au** from 63.15m (SNDDHP2003)
- **1.7m @ 1.1 g/t Au** from 76m

The drilling succeeded in showing mineralisation in all three holes, with high-grade gold assays up to 59.2 g/t Au hosted in sulphide mineralised breccia vein contained in a mineralised envelope comprising sericite altered sandstone and brecciated black shales, and an early mafic dyke which is also mineralised.

Review of Operations:



Figure 4. Mineralised quartz-veins intimately associated with mafic intrusions²

The drilling program demonstrated that a continuation of strong areas of mineralisation occur on the Snowstorm project lease (Figure 7). Further to this, the program demonstrated significant vertical extent of >150m and >500m of strike extent across the project area (Figure 7).

An additional 11 holes have also been drilled with assays results pending at the time this report was prepared. Many of these holes demonstrate similar styles of quartz veining and sulphide mineralisation. The Company expects the assay results to be announced at or around the time this report is released to the ASX.

Review of Operations:

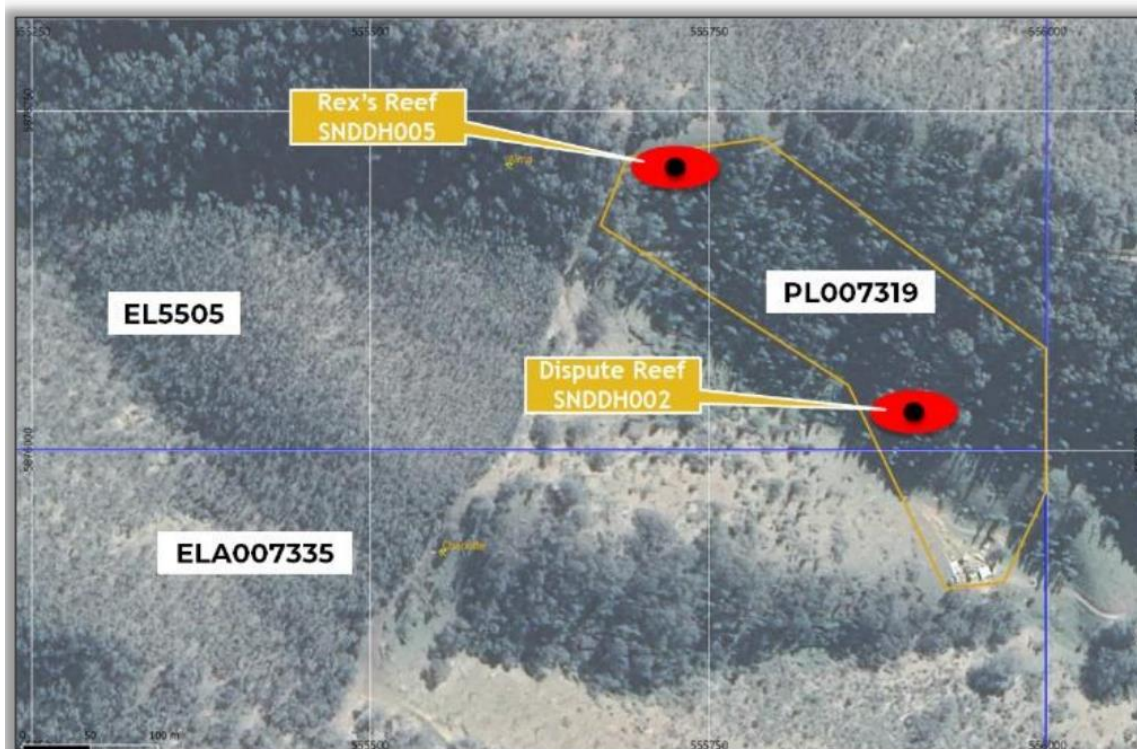


Figure 5. Snowstorm Phase 2 Drilling target definition around SNDDH002 (Dispute Reef) and the SNDDH005 (Rex's Reef). ELA007335 does not form part of FAU's tenure.

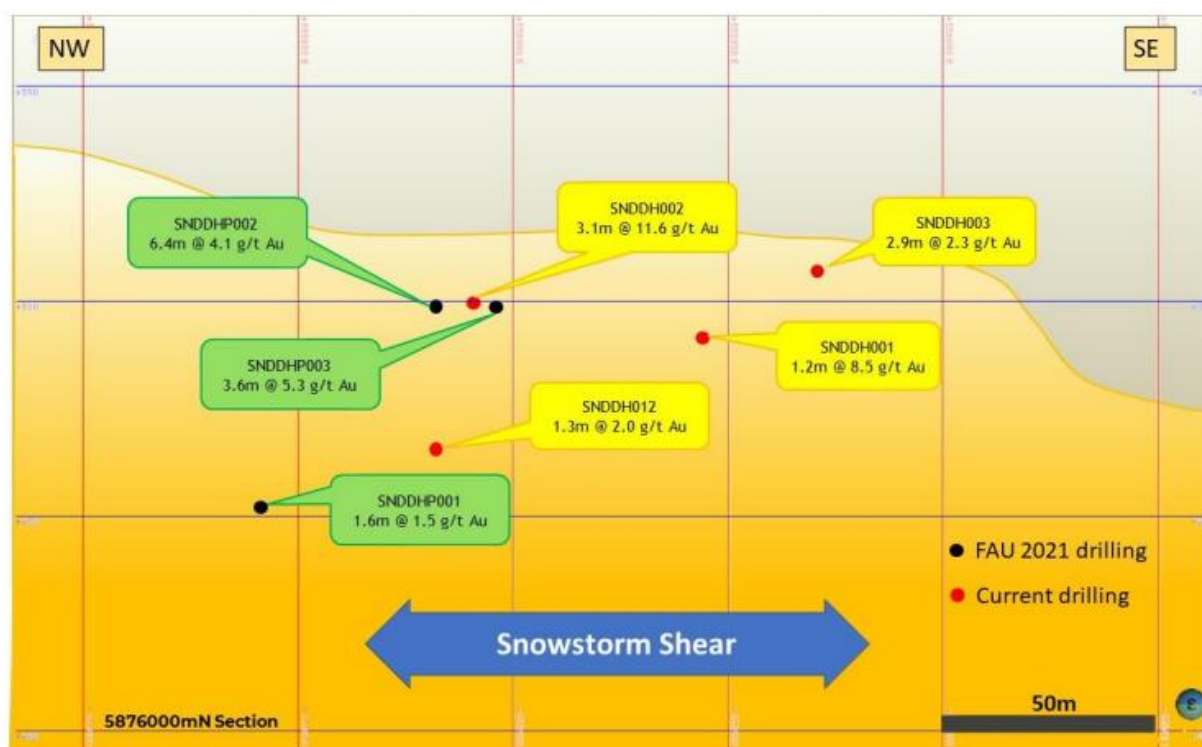


Figure 6. Drilling long section trending NW-SE, at the SE end of the current drill program, with pierce points of the mineralised plane from FAU drilling^{1,2,3}

Review of Operations:

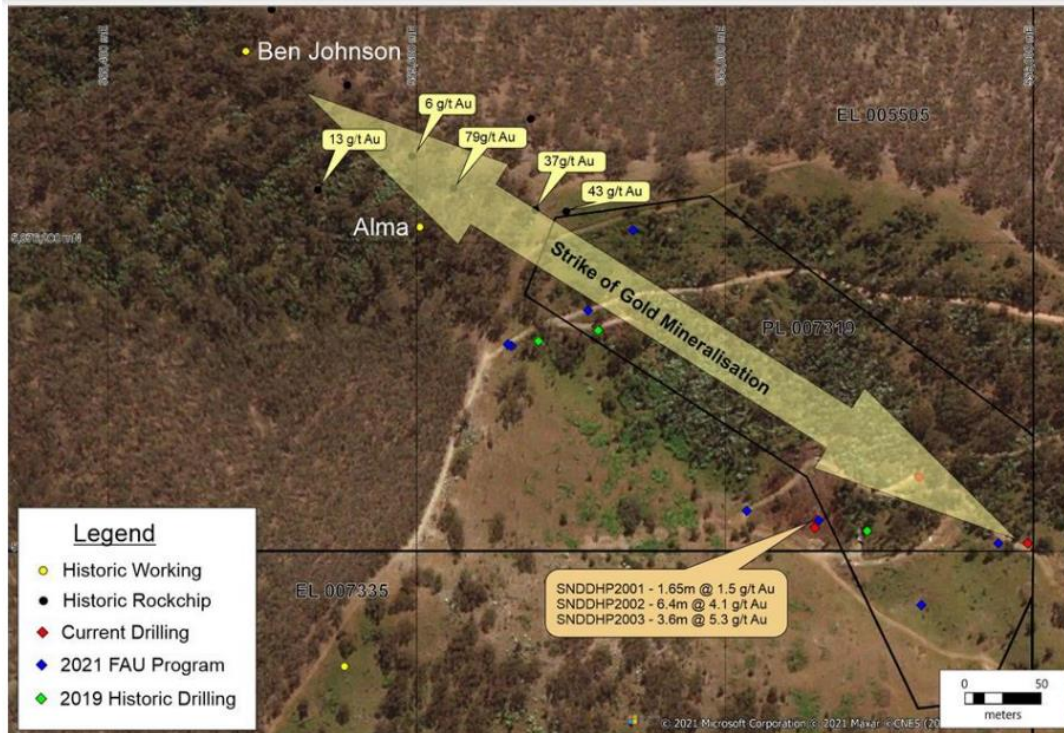


Figure 7. >500m strike potential (yellow arrow) and >150m vertical extent for the NW trending high grade auriferous reefs at Snowstorm (Coordinate in MGA94 Zone 55). Also evident is historic rock-chip sampling along strike showing mineralisation at surface continues along strike from drilling^{3,4}

In its December 2021 Quarterly activities report, FAU announced that during the quarter it had completed a Light Detection and Ranging (“LIDAR”) survey at Snowstorm. The LIDAR highlighted continuing mineralised trends as evidenced by historic workings along strike from drilling and is assisting in further target generation for future exploration (Figure 8). LIDAR has also proven highly effective at delineating important structural features as well as an effective and environmentally sustainable mapping tool for seeing through dense vegetation.

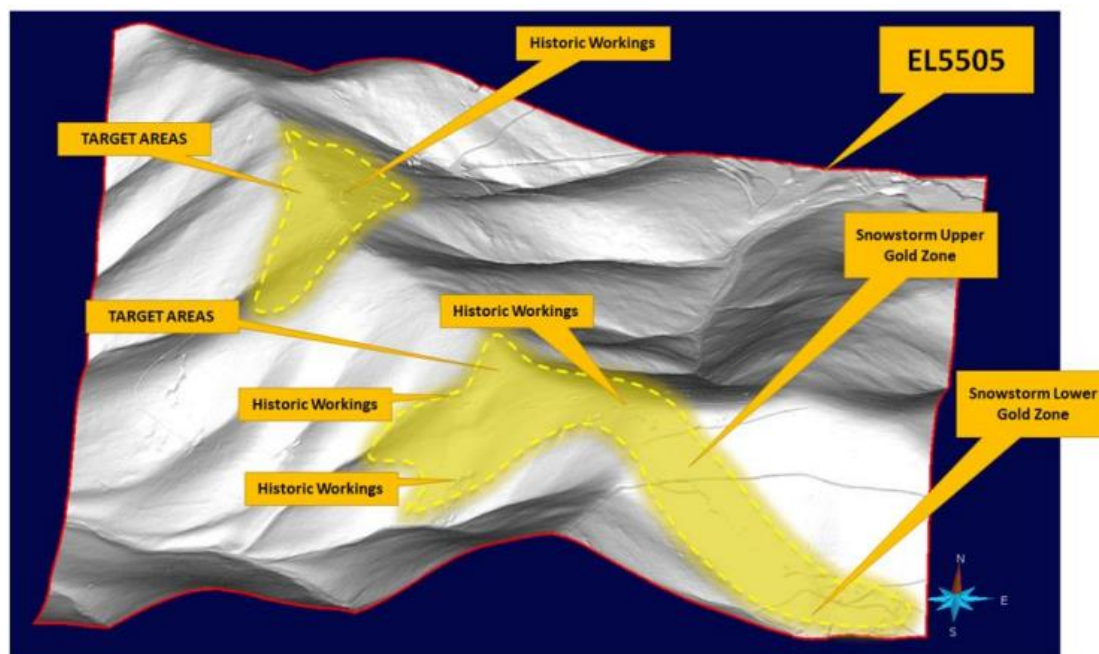


Figure 8. LIDAR for EL5505 highlighting the strike continuation of mineralisation for testing, view North

Review of Operations:

Haunted Stream Gold Project

Haunted Stream is considered to be the Company's flagship project and shows potential for significant high-grade gold continuity, indicated from historical workings and rock chip sampling over an 8.5km strike length. Historic mine records from the Victorian Government, show ore being extracted typically 15-30g/t Au, with some reefs (i.e. Hibernia Mine) producing > 150 g/t Au⁵.

On 3 February 2021 FAU announced an update on field works and rock chip sampling that was underway at the Haunted Stream project⁶.

The FAU field program established that gold mineralisation around the Ernestine/Hibernia workings (Figures 9) is controlled by a series of (ductile) shear zones trending NE-SW and N-S trending, which are interpreted to be related to the Bindian (c.a. 410Ma) Orogeny. This is a critical piece of information in future drill planning and exploration targeting within the region.

Surface and underground structural mapping and rock-chip analysis suggests a sub-economic and high-Arsenic (As), up to 1.2% and up to 15m wide, envelope surrounds higher grades which occur in steep southerly plunging shoots (Figure 10). With a strong As to Au correlation observed across many Victorian Gold deposits (e.g. Fosterville), the high As results are interpreted to reflect the alteration system associated with the gold mineralisation, and potentially a proximal mineralisation indicator. The As is generally hosted in arsenopyrite (or as an As-oxide phase in the weathered zone). This means it is a potential vector to economic mineralisation.

The results of the December 2020 rock chip program identified that high-grade gold material is present, as well as the presence of a low-grade, sub-economic gold envelope. Mullock sample VR0079 returned an assay of 20 g/t Au⁶ and is interpreted to related to potential high-grade zones to be tested by drilling.

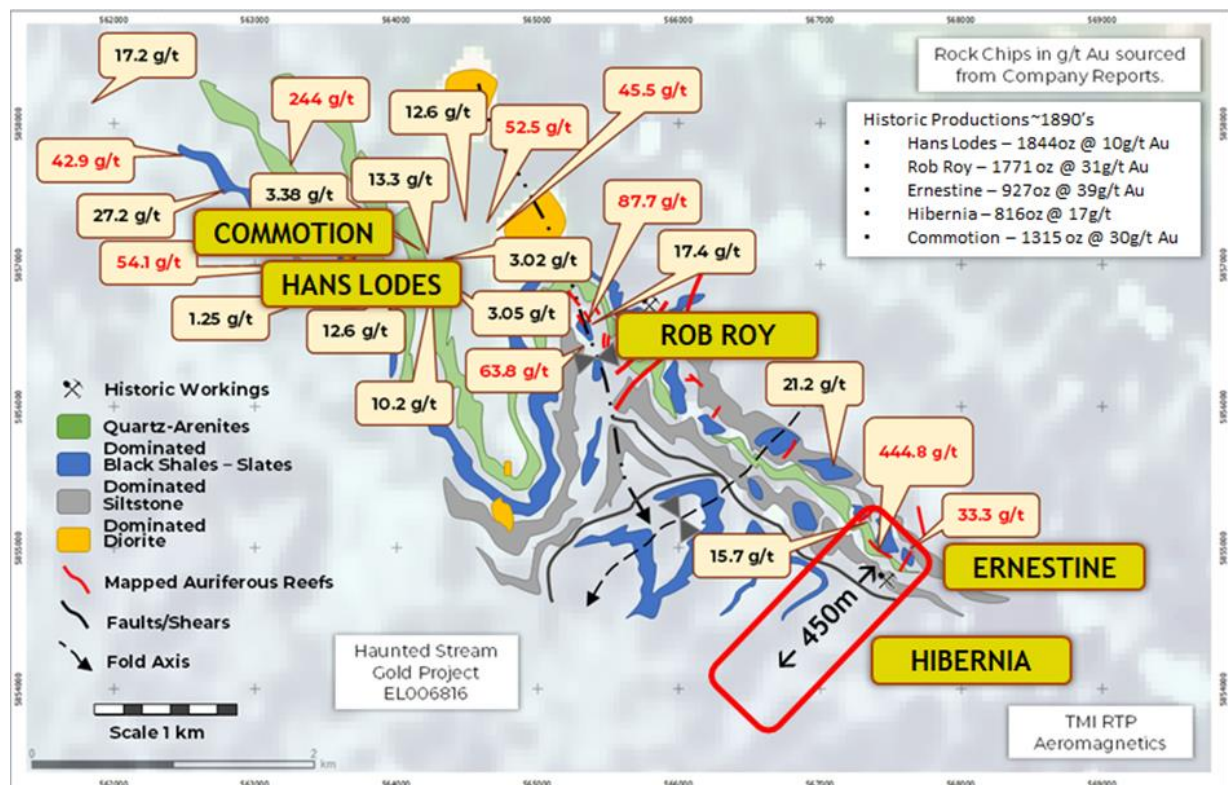
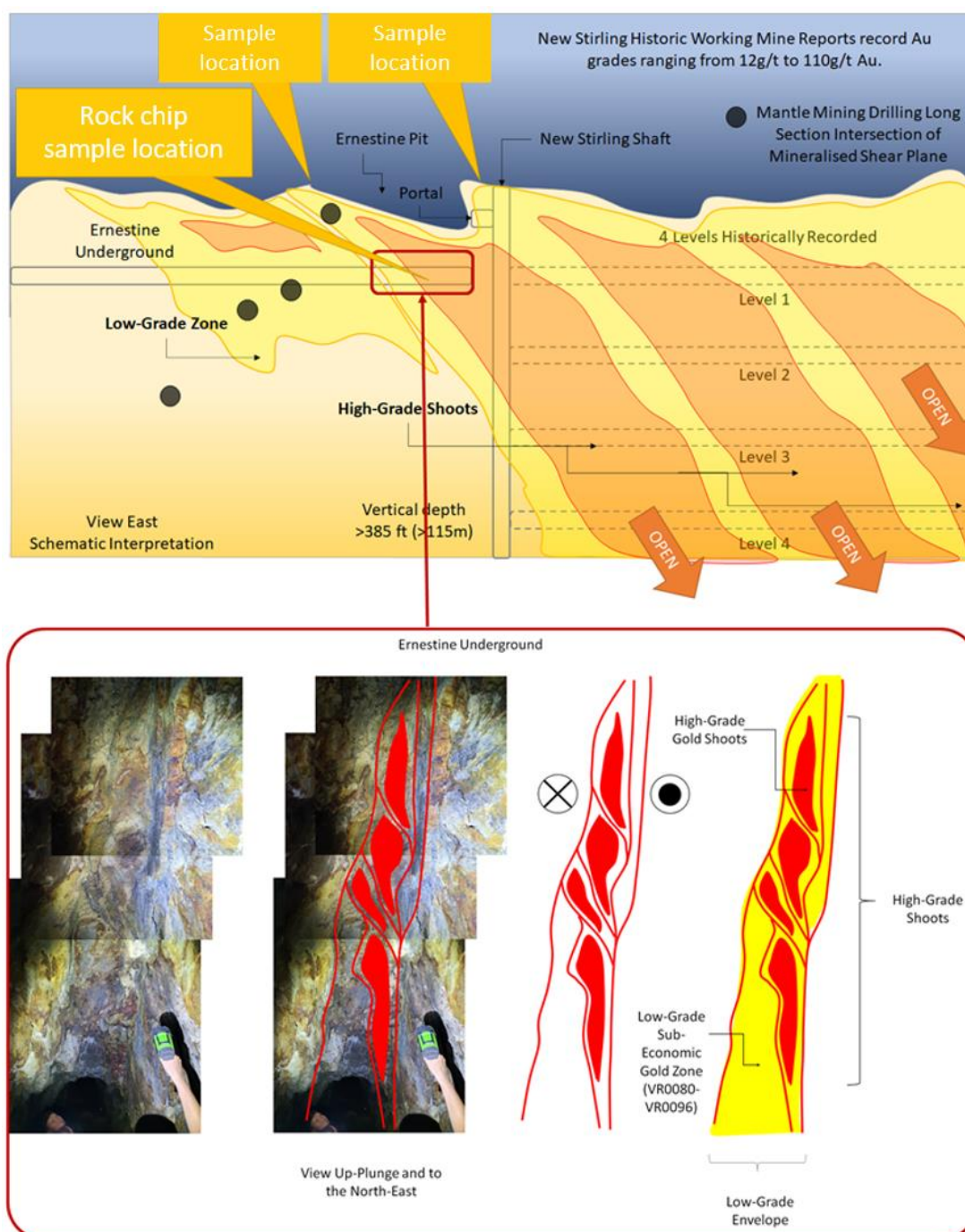


Figure 9. Ernestine/Hibernia location against historic rock chip results and focus of initial drill program at eastern end of Haunted Stream high-grade gold corridor. (Coordinates in GDA 94, MGA zone 55)⁶

Review of Operations:

During the reporting period, FAU received approval for a permit to drill above ground at the Ernestine/Hibernia prospects. Since receiving the permit, the Company has begun planning a drill program which it anticipates will commence in 2022.

In its December 2021 quarterly activities report, FAU announced that during the quarter it had completed a LIDAR survey at the Haunted Stream project. The survey is assisting in the developing geological interpretation for the region via the integration of surface mapping structural measurements, historical observations, and surface geochemistry. The LIDAR has been post-processed to enhance geological features (Figure 11).



Review of Operations:

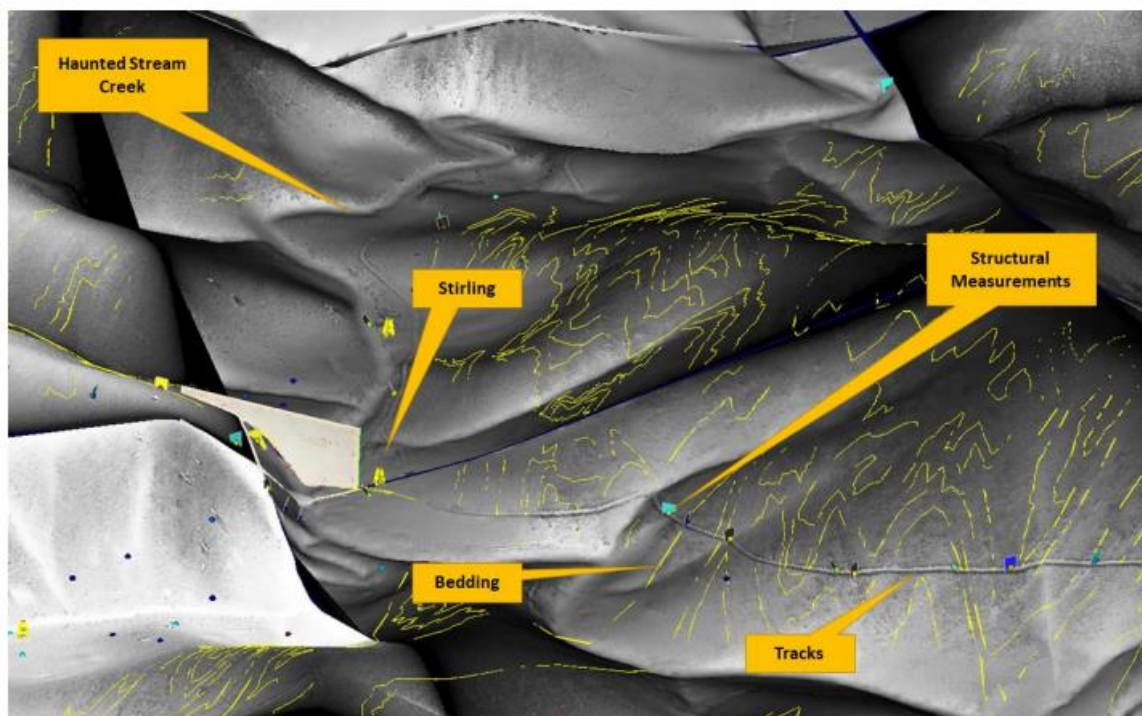


Figure 11. View East along Haunted Stream of enhanced LIDAR to assist with geological interpretation

Dogwood Copper Porphyry Project

On 22 September 2021 FAU updated investors with a geological review of the Dogwood Project⁷, the tenement application was approved subsequent to the reporting period and is 28km SE from FAU's Haunted Stream Project. Dogwood lies within the southern reaches of the Lachlan Fold Belt, considered a world class gold-copper porphyry precinct with the Cadia Deposit (Newcrest Mining, ASX: NCM), the Boda Deposit (Alkane Resources, ASX: ALK) and the Northparkes Mine (CMOC & Sumitomo Group).

Historic exploration at Dogwood by CRA and Anglo American has underlined its potential. This included a best intersect from drilling by CRA of 13.2m @ 1.33% Cu (from 28m; DD94OR46)⁷ and 30m @ 0.5% Cu, including 8m @ 1.2 % Cu (from 54m; RC93OR25)⁷.

The Dogwood Prospect was discovered by Australian Anglo America Prospecting (AAP) in 1980 and last drilled by CRA Exploration in 1993 and 1994, but little recent exploration has been conducted within the area. A review of CRA drilling data shows intersection including⁷:

- **7m @ 0.5% Cu** from 64.9m (DD94OR46)
- **13.2m @ 1.3% Cu** from 76.8m (DD94OR46)
- **0.75m @ 0.4% Cu** from 37.35m (DD94OR45)
- **14.4m @ 0.4% Cu** from 54.5m, including **0.6m @ 3.7% Cu** from 62.3m (RC94OR45)
- **12m @ 0.5% Cu** from 54m, including **2m @ 1.0% Cu** from 56m (RC94OR40)
- **30m @ 0.5% Cu** from 38m, including **8m 1.2% Cu** (RC93OR25)
- **34m @ 0.3% Cu** from 44m, including **6m @ 0.5% Cu** (RC93OR9)
- **2m @ 8 g/t Au** from 28m (RC93OR43)
- **2m @ 0.4% Cu, 7 g/t Ag** from 40m (RC93OR14C)
- **22m @ 0.2% Cu** from 48m (RC93OR22)

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Drill intercepts show anomalous molybdenum grades within the intrusion, and high copper grades in host rocks above the terminus of the intrusion and around a vertical apophysis above the main intrusion. The best intercept in the supergene chalcocite blanket was 13.2 m @ 1.33 % Cu⁷ and was ended in mineralisation (Figure 12).

FAU Geologists have planned a drill program. Initial drilling will look to replicate the historical results produced by CRA, with a focus on testing the mineralisation at greater depth, e.g., DD94OR46 produced the intersection of 13.2m @ 1.33%, however, the drill hole ended in minerlisation. FAU would like to extend the depth of this hole to test the depth extent of mineralisation . Details of the drill program will be provided prior to commencement.

The copper porphyry prospectivity of the Dogwood area is a complement the efforts of FAU's orogenic gold exploration throughout the rest of the Company's tenure in Victoria, including the Haunted Stream gold project and Snowstorm gold project.

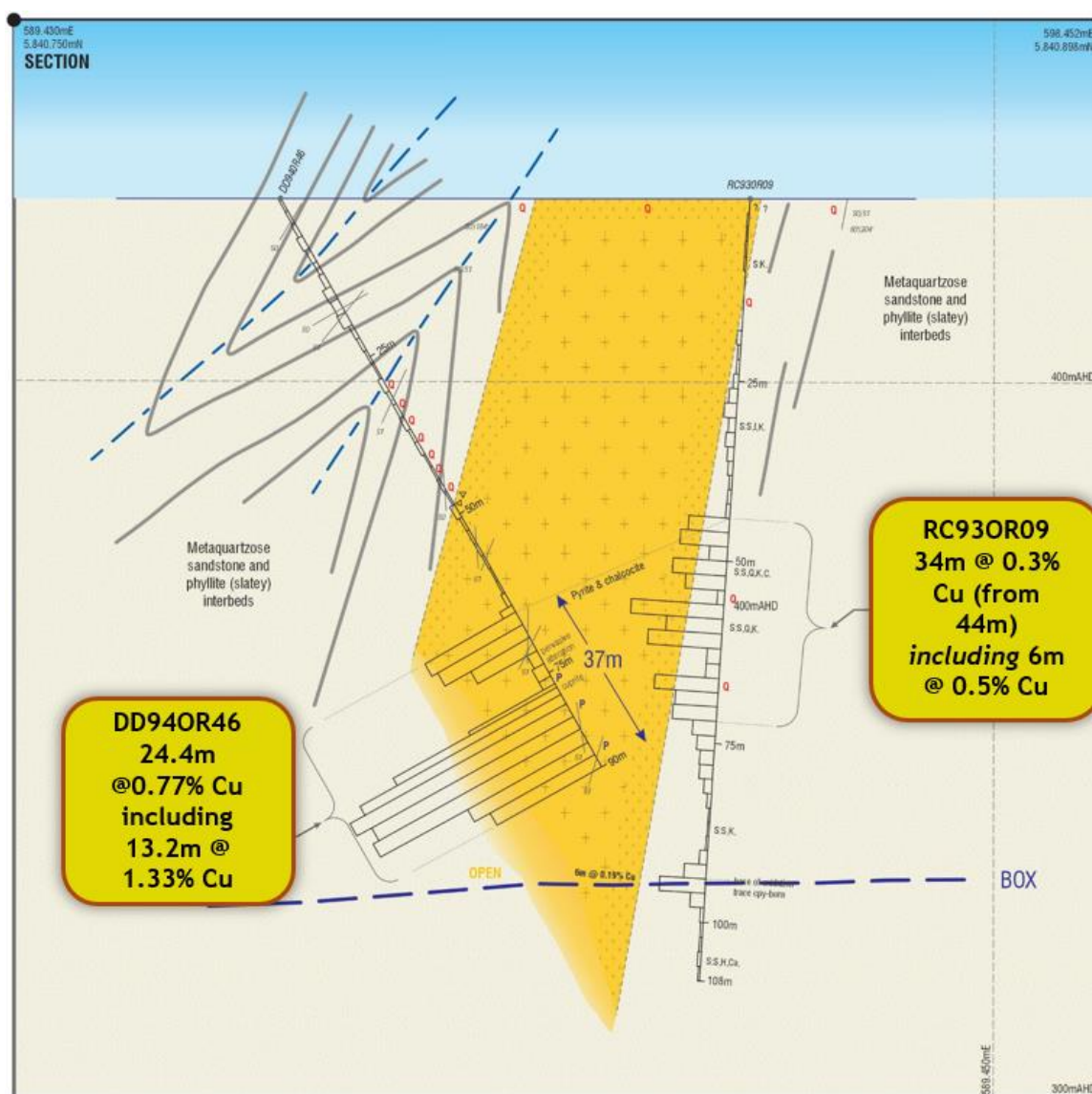


Figure 12. Geological cross section at the Dogwood Cu Porphyry

Review of Operations:

Subsequent to the reporting period, FAU announced at the end of March 2022 that been granted four Exploration Licenses at its VicGold project in East Gippsland, Victoria. The granted licenses constitute a substantial increase in area for the VicGold project and are considered to be of significant strategic importance to the project.

The newly granted tenements EL006975, EL006976, EL006977 and EL007335, cover an area of ~2,200 km² and collectively contain numerous, highly prospective prospects including the Dogwood Porphyry Copper-Molybdenum project, the greater Haunted Stream area, the Birregun Orogenic Au, the Dargo High Plains Deep Leads Au projects and open westerly extension to the Snowstorm Project area (Figure 13).

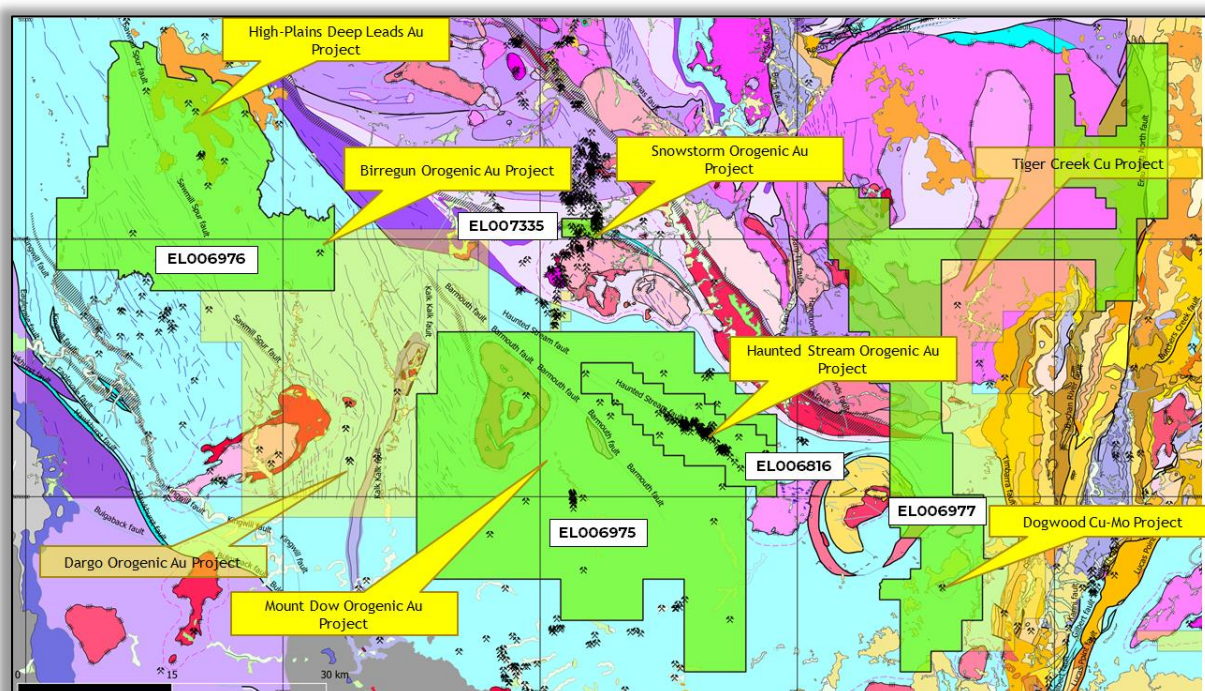


Figure 13. Tenement plan of East Gippsland Project areas (project - MGA 94 Zone 54) showing granted (green) against applications (yellow).

Mabel Creek Project

On 27 July 2021 FAU announced that it had been granted new leases that were under application within the highly prospective Mabel Creek area of the Norther Gawler Craton, South Australia⁸.

The project area is ideally situated in the northern extent of the Olympic Dam Cu-Au province (Figure 14). FAU's tenure is ~ 1050 km², located ~ 45km west of Coober Pedy. Mabel Creek is 100% FAU-owned and was identified through project generation of vacant ground in 2020.

The Olympic Dam Cu-Au province contains tier-1 IOCG deposits, including the Olympic Dam deposit of BHP (ASX: BHP), as well as Oz Mineral's (ASX:OZL) Prominent Hill and Carrapateena Deposits. There has also been recent activity by Coda Minerals (ASX: COD) at the Emmie Bluff Deeps Prospect, with a thick intersection of IOCG mineralisation reported.

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In 2020, the South Australian Government held a \$250,000 competition named the “Gawler Challenge”, in a world-wide call for geologists and data scientists to uncover new exploration targets in the state's highly prospective Gawler Craton region.

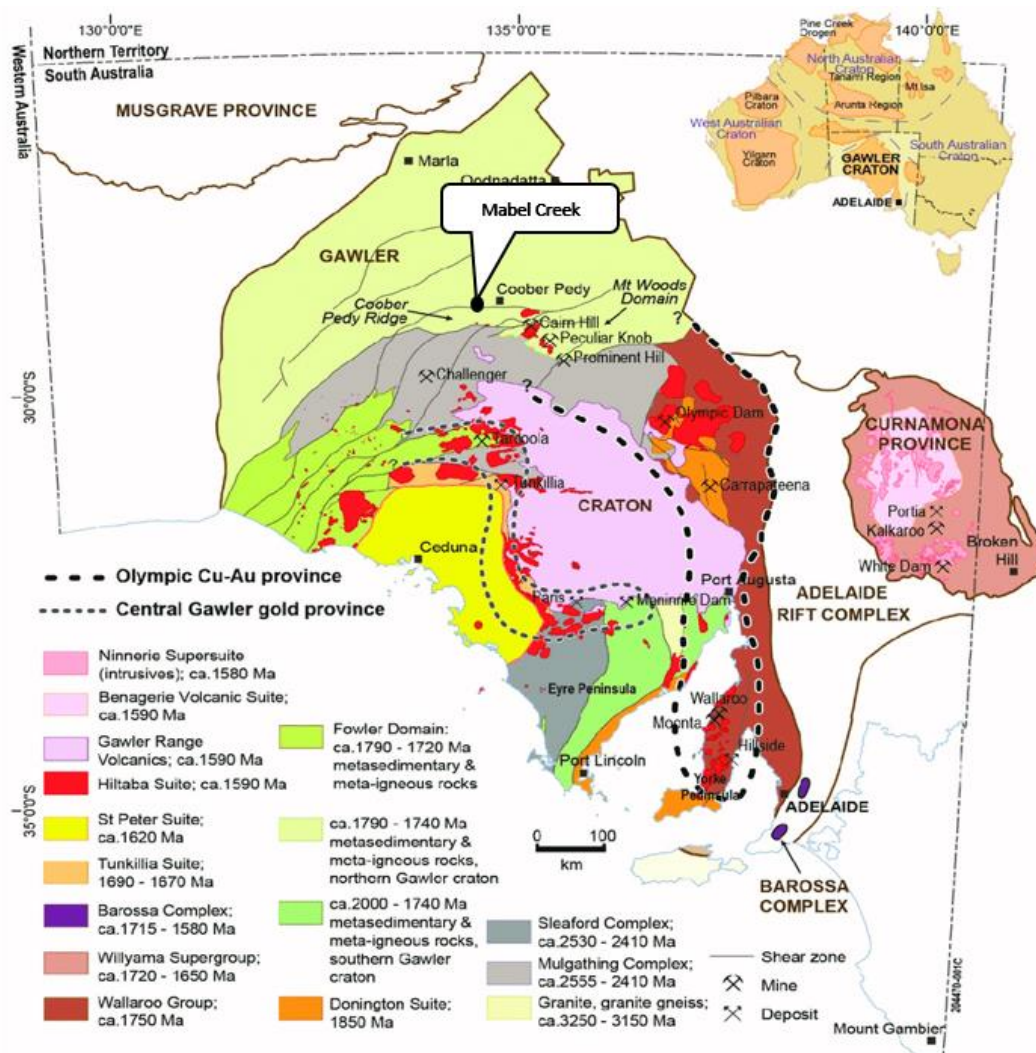


Figure 14. Gawler craton geology map, with location of the Mabel Creek Project (modified after Reid, 2019)⁸

The Mabel Creek area was identified by the winner and runner-up of the SA Government “Gawler Challenge” as one of the key prospective areas underexplored for IOCG and Central Gawler-style Au Mineralisation, and FAU will now have a significant ground holding in this area. The winning submission contended the Mabel Creek area was prospective for hydrothermal Au mineralisation, similar in style of the Challenger or the Tarcoola Au Deposits (Barton Gold, ASX: BGD), located in the central portion of the Gawler Craton.

The Mabel Creek Project tenements straddles a major, deep seeded E-W trending fault system which separates undifferentiated metasediments (including the magnetite BIF) of the Paleoproterozoic Mabel Creek Domain and paragneiss of the Mount Woods Domain. The Mabel Creek Geological Domain has relatively thin cover sediment (20-200m) to the rest of the province (up to 1-2 km). The project location is interpreted to be situated along the prospective margin of the Gawler Craton in a similar geodynamic setting to that of other significant IOCG deposits (Figure 15).

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FAU's Mabel Creek tenure is surrounded by tenements from major mining houses, including BHP, Rio Tinto, FMG and Oz Minerals (Figure 17). Oz Minerals and Rio Tinto have recently applied for, or have granted tenure, surrounding the FAU ground.

Previous exploration on FAU's tenements is limited, but historic work by Vale Exploration (between 2014 and 2016) identified through limited gravity and magnetics, followed by target generation and then subsequent Reverse Circulation drilling, evidence of "potential distal IOCG alteration" in a single drillhole (Drillhole GAW_RC007, total depth 195m) at the Harlequin Prospect. This RC drillhole failed to reach the proposed target depth due to inground difficulties and may provide an immediate target.

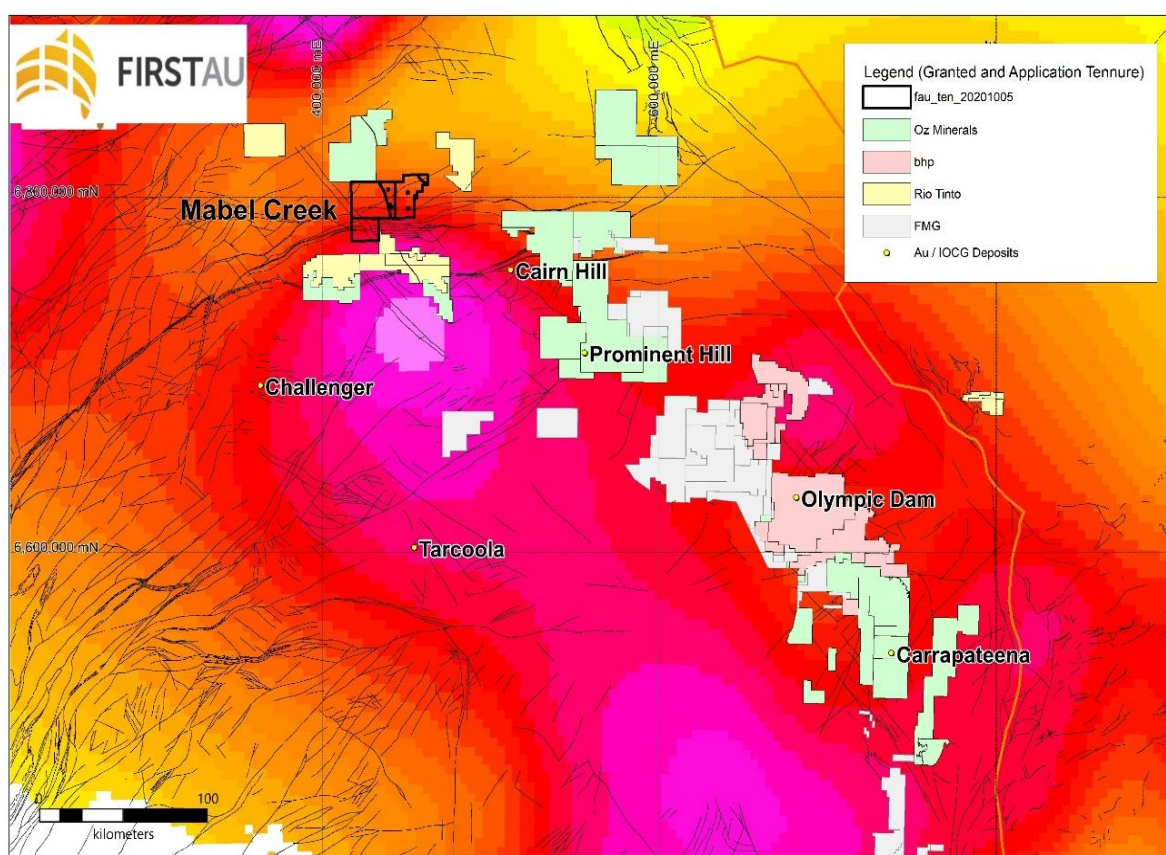


Figure 15. Moho gradient map, with overlay tenure including that of FAU and major mining houses (BHP, RIO, OZ, FMG). Note position of tenure and IOCG / Gawler style deposits are located along the edge of a Moho "high" (co-ords MGA94, Zone 54)

After the end of the reporting period, the Company provided an update on 24 March 2022 with a new geological interpretation of the project⁹.

The rocks of the Mabel Creek Project do not outcrop and is covered by a Carboniferous to Permian sequence varying from 30 to 250m in thickness. Historical drilling and aeromagnetics and gravity geophysics assists in evaluating what the structures and lithologies are under cover (Figure 16). Lithological units intersected by drill holes include schist, gneiss, jaspilite, quartz-magnetite iron formation, quartz -gabbro, biotite-garnet-feldspar-quartz gneiss and amphibolite. Each of these rocks have a different magnetic character, related to its magnetic response to the earth's magnetic

Review of Operations:

field as well as gravity response, related to its density. The careful mapping of each unit from previous drilling and reprocessed geophysics (magnetic and gravity imagery), has resulted in a new geological interpretation for the region (Figure 16). From this interpretation, several drill targets were identified for Gawler-Style Au mineralisation in structural traps (i.e. fold hinges and shears), and this will be the initial focus for the Company (Figure 17).

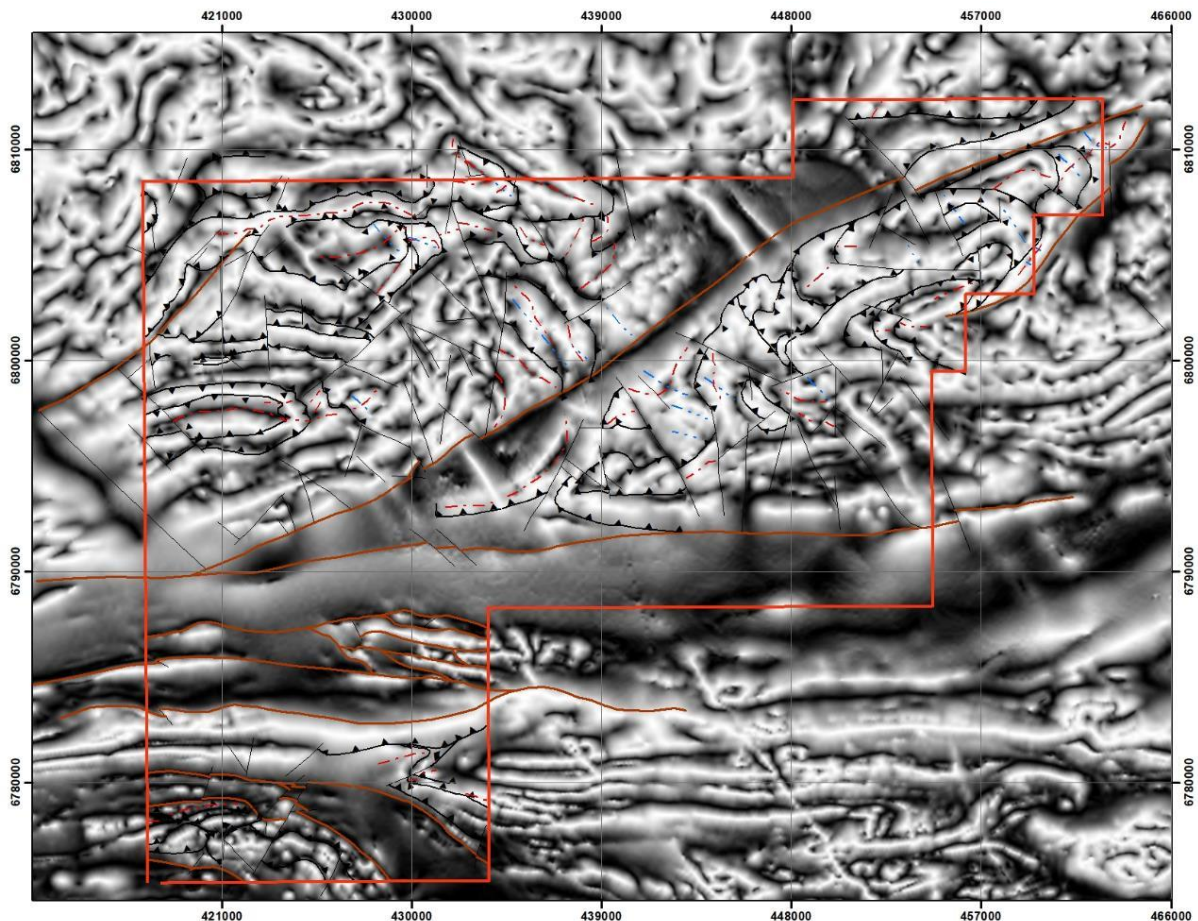


Figure 16. Reprocessed open file, 200m line spaced magnetics (RTD-Tilt Derivatives), with new interpreted structural geology. All coordinates are in MGA94 Zone 53.

The new geological interpretation provides a new insight into the prospective structures and settings across the project area. Of particular interest, is the amount of folding and faulting adjacent major ~east-west shear zones. These types of settings are typically highly prospective for gold deposits such as those similar to the Challenger deposit, South Australia. Located ~70km north-west of Adelaide, the Challenger Mine was discovered in 1995 by Dominion Mining and produced ~1.2Moz Au in operations from 2002-2018.

The Gold mineralisation at the Challenger Mine occurs in folded quartz veins within narrow plunging lodes hosted by high-grade metamorphic rocks (gneiss) which are similar to the rocks hosted within the Mabel Creek Project. The Challenger Mine shoots have a high level of continuity and have been mined, drilled and interpreted to persist over 2,200m plunge extent.

Additionally, the highly prospective corridor (Figure 18) for a Cairn Hill style magnetite-copper-gold deposit within the southern part of the project area, hosted within the Mount Woods, Coober Pedy and Olympic Domains iron formation is a drill target. The Cairn Hill resource is 11.4 Mt at 49.5% Fe

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(magnetite) 0.4% Cu and 0.1 g/t Au. The Iron Ore Copper Gold (IOCG) targets and gold targets are being ranked and assessed ahead of a drilling program.

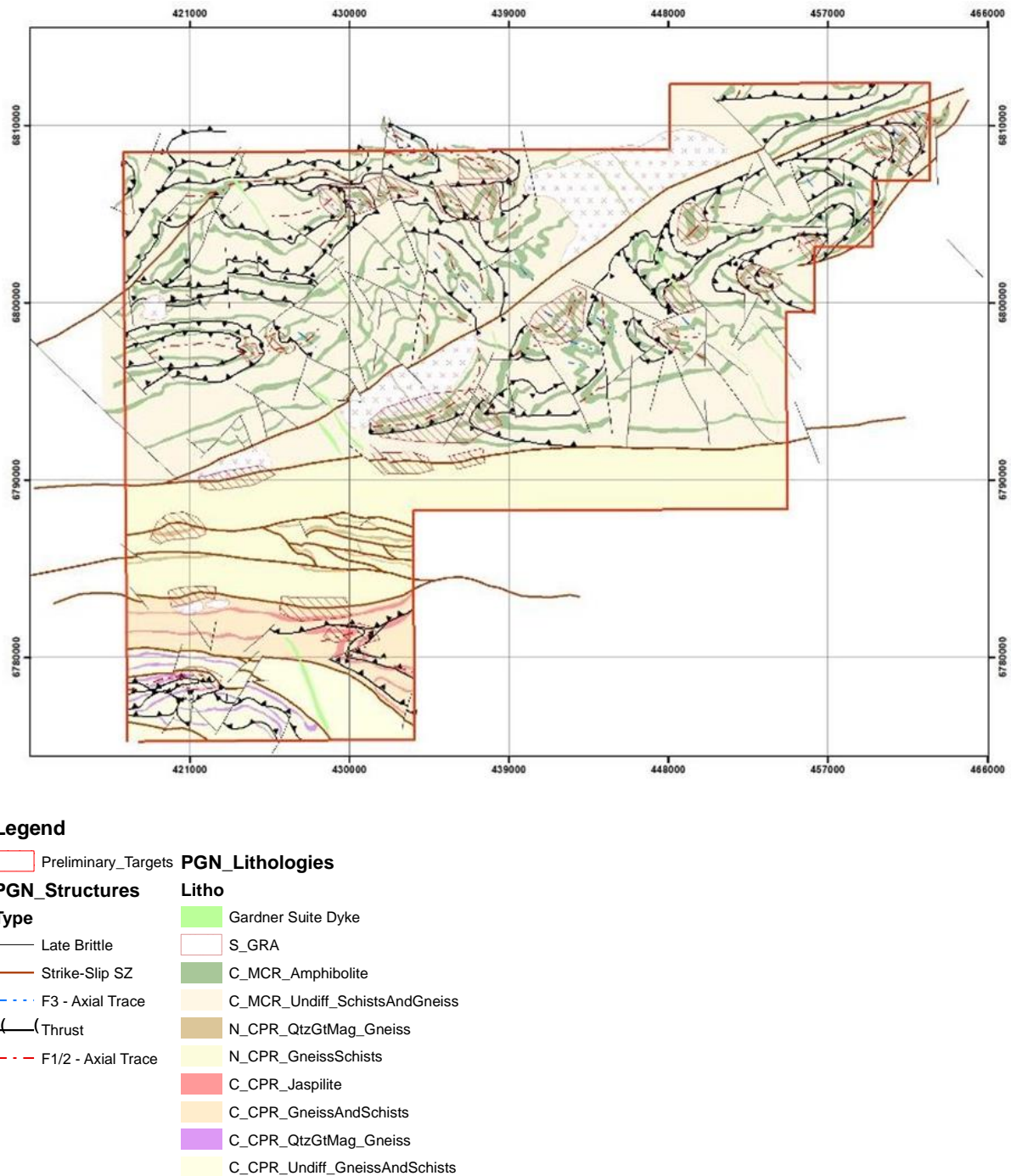


Figure 17. New Geological Interpretation and drilling targets for the Mabel Creek Project, South Australia. All coordinates are in MGA94 Zone 53.

FAU Geologist's will look to develop a drill program to assess basement geochemistry over target areas via a campaign of RC (Reverse-Circulation) drilling prior to defining diamond drilling targets.

Review of Operations:

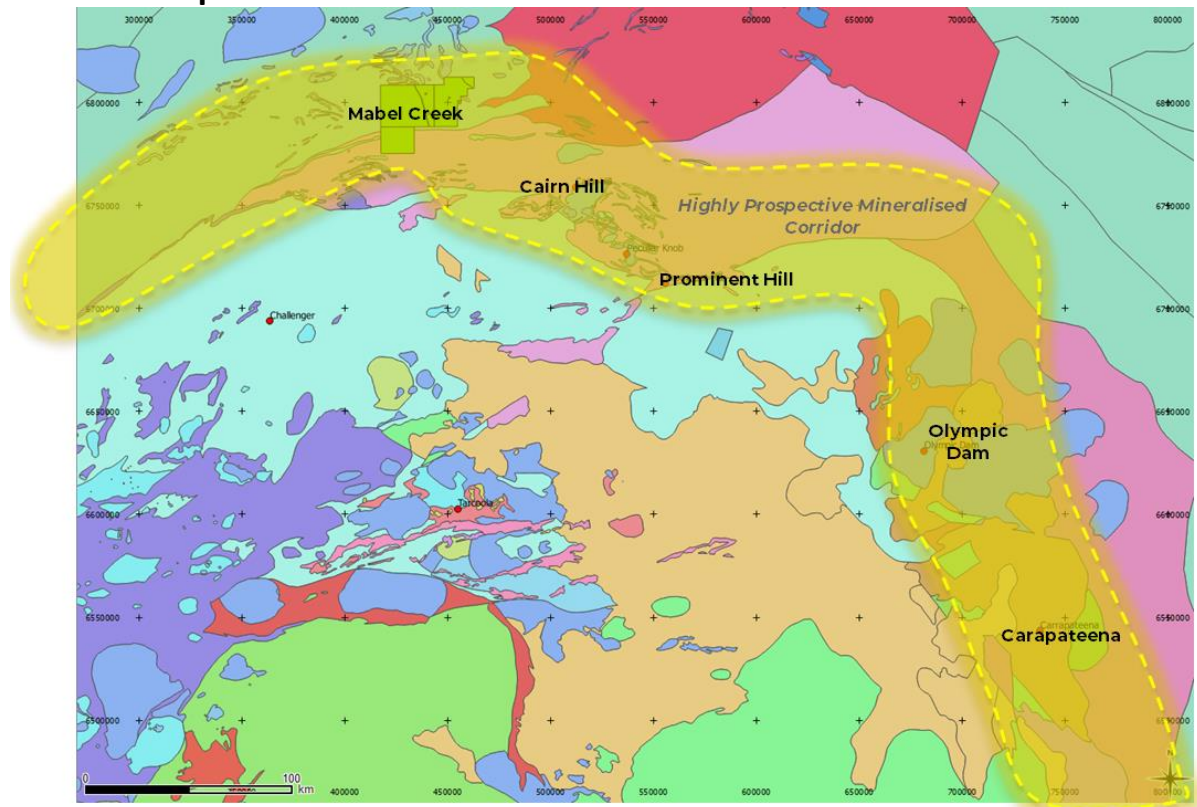


Figure 18. Prospective IOCG corridor for the Mabel Creek Project, South Australia. All coordinates are in MGA94 Zone 53.

Gimlet Gold Project

Over the reporting period, the Company continued to advance the Gimlet Gold Project with further drilling and an upgrade in its JORC Inferred Resource.

On 29 January 2021 the Company announced drilling results from an RC program¹⁰. The drilling program helped improved continuity of the mineralised body. In addition, the program provided a better understanding of the gold mineralisation/structural geology of the prospective area.

FAU commenced the RC drilling program in November 2020. This program consisted of 15 RC holes (2,160 m in total) and focused on drilling around the current Resource area as well as other exploration targets (see Figure 19).

The drilling provided additional extent below the mineralisation envelope and infill drill coverage for a potential new Resource estimate (Figures 22 and 23). This included intersections of¹⁰:

- **17m @ 3.7 g/t Au** from 170m (20GRC013),
- **20m @ 3.7 g/t Au** from 72m (20GRC015) and
- **9m @ 4.8 g/t Au** from 145m (20GRC012) within the fresh zone.

The drilling also tested gaps in the oxide position of the resource and returned the following intersections¹⁰:

- **2m @ 4.1 g/t Au** from 45m (20GRC014) and

Review of Operations:

- **2m @ 1.5 g/t Au** from 46m (20GRC015)

In addition, the drilling also identified a new lode position east of the current main lode, which will now be a target for future programs (Figure 22). This included **2m @ 3.0 g/t Au** from 67m (drillhole 20GRC011)¹⁰ and **2m @ 2.7 g/t Au** from 142m (drillhole 20GRC017)¹⁰.

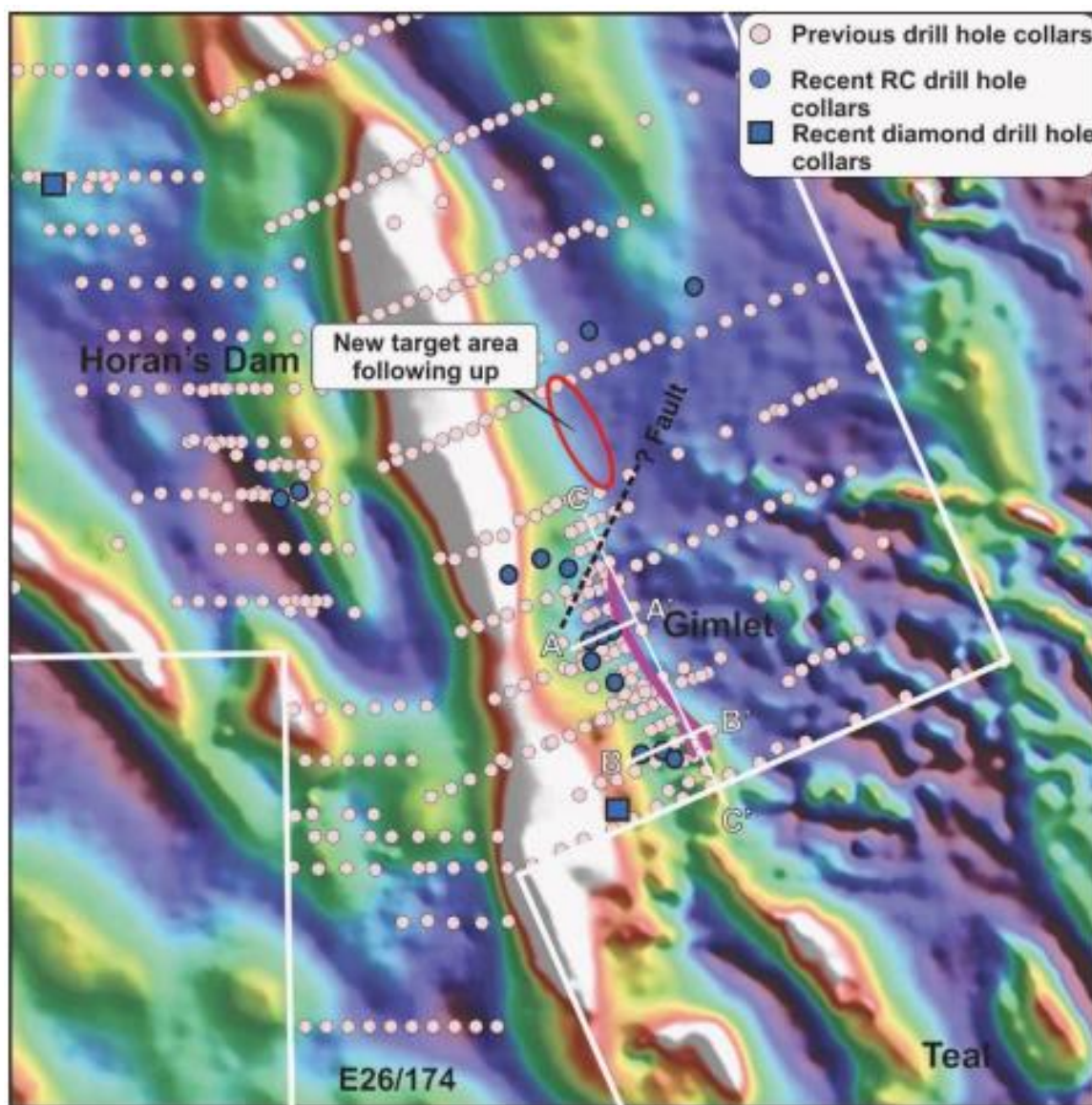


Figure 19. TMI image depicting the recent RC and diamond holes at Gimlet (labelled). Also note location of cross sections (Figures 20 and 22) and long section (Figure 21). Image also depicts new target area identified through new structural study (Coordinates are in GDA MGA94 Zone 51)¹⁰

Review of Operations:

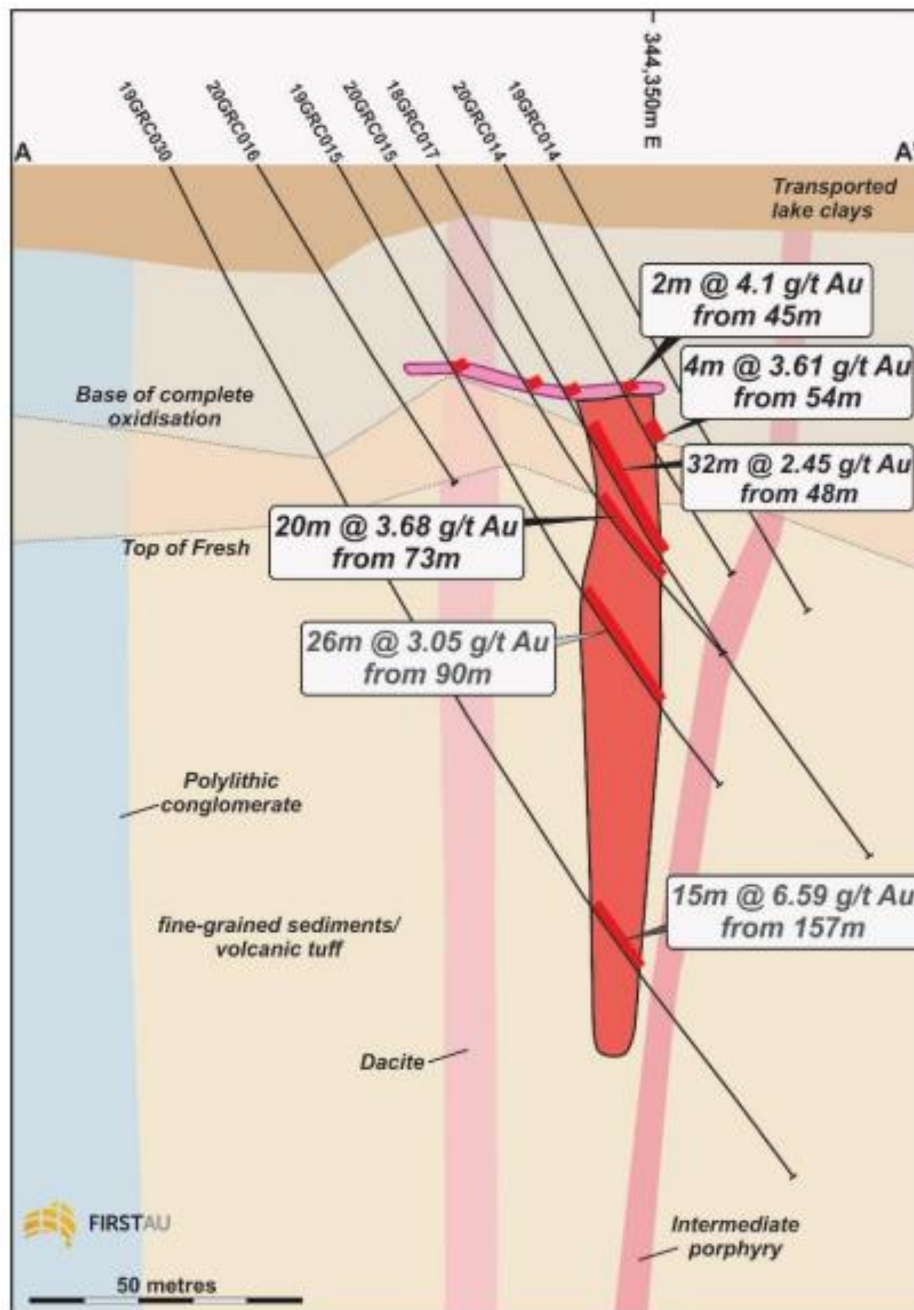


Figure 20. Drilling cross section (See Figure 19 for location) showing drillholes 20GRC014, 20GRC015 and 20GRC01610

In addition to the RC drilling completed, FAU also completed two diamond drill holes to a total depth of 572m. Drillhole 20GDD004 was completed to a total depth of 445.75m and targeted the downhole extent of mineralisation at Gimlet mineralised trend. The drill hole was partly funded by the WA Government Exploration Incentive Scheme (EIS) and is the deepest drill hole ever drilled along the Gimlet-Teal mineralised trend.

The hole was successful in identifying quartz-pyrite-arsenopyrite veining and alteration similar to what was observed in previous drilling at Gimlet. This mineralisation was dispersed over several zones within a 60m interval suggesting the mineralisation is open at depth. The best intersection was 10m @ 0.6 g/t Au from 376.5m, including 1m @ 2.4 g/t Au¹⁰. Furthermore, the diamond drilling, in conjunction with previous diamond drilling provided key insights into the litho-structure of the mineralised zone.

Review of Operations:

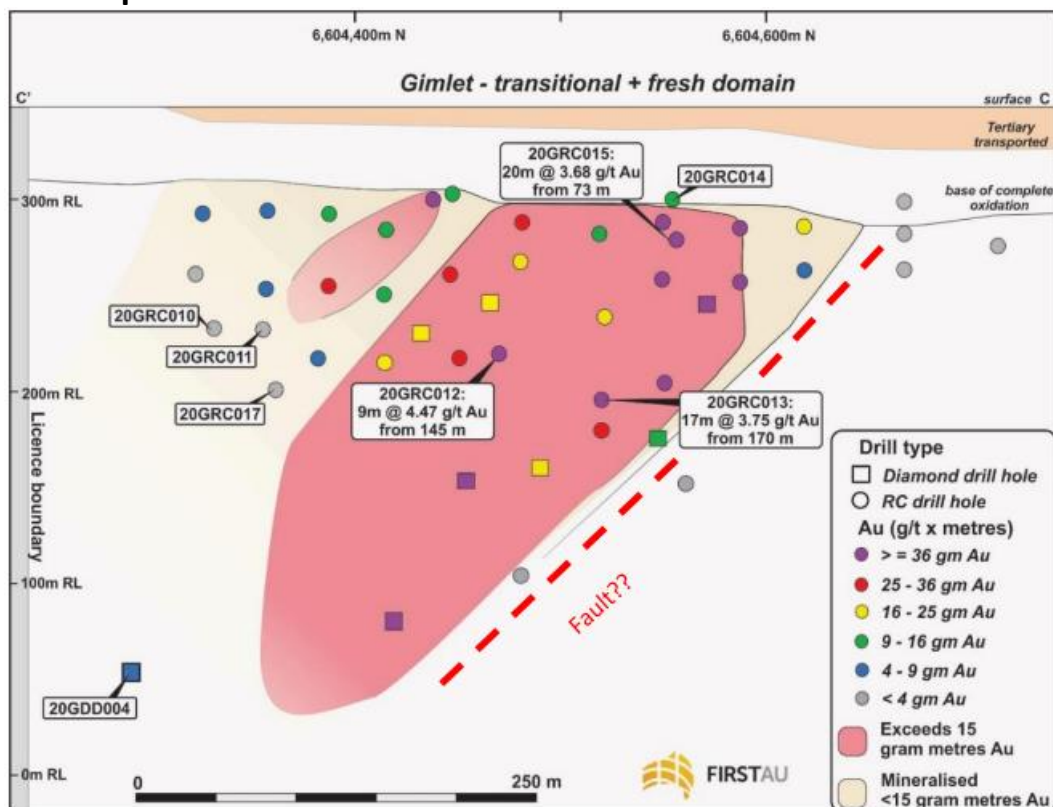


Figure 21. Drilling long section (See Figure 19 for location) showing pierce point of drill holes 10

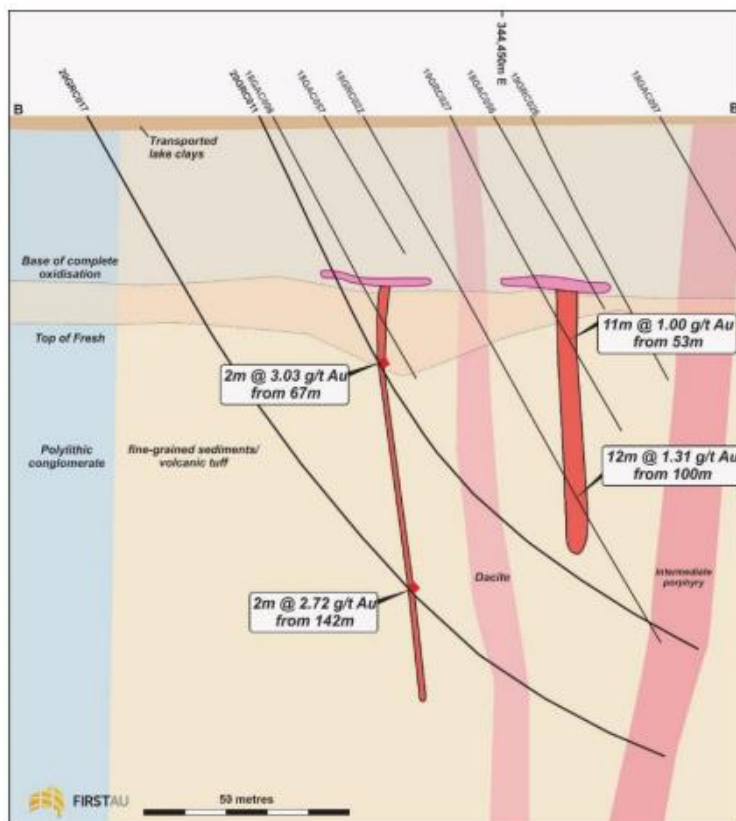


Figure 22. Drilling cross section (See Figure 19 for location) showing drillholes 20GRC017 and 20GRC011, with mineralisation in new footwall position 23

Review of Operations:

Following another successful drilling campaign at Gimlet, FAU was able to announce an update to the Company's previously reported JORC Inferred Resource of 69,000 ounces Au @ 3.3 g/t¹¹ on 23 June 2021¹².

The new Mineral Resource Estimate (MRE) resulted in an Inferred Resource of 1,166,000 tonnes at **3.2 g/t Au for 120,000 ounces at a 1 g/t cut-off**¹², this is a 73% increase on the previous Inferred Resource.

A further breakdown as follows¹²:

Table 1: June 2021 MRE using 1 g/t Au cut-off

June-21 Inferred MRE	Tonnes	Grade (g/t Au)	Ounces
<i>Oxide</i>	70,800	2.53	5,800
<i>Transitional</i>	93,400	3.21	9,600
<i>Fresh</i>	1,001,700	3.24	104,200
Total	1,165,900	3.19	119,600

The mineralisation interpretation was completed on 40 metre (m) spaced drilling, based on a 0.5 grams per tonne gold (g/t Au) lower cut-off to define mineralisation. The resource was classified as Inferred on the basis of drill density, geological understanding, grade continuity and the assumption that areas less than 100 metres below surface can potentially be mined in an open pit using a cut-off above 1 g/t and areas deeper than 100m with continuous grade above 2g/t can potentially be mined from underground.

More recently, FAU provided an update via its December 2021 Quarterly Activities Report that it is in the process of investigating ways to advance the Project to a potential production stage or reach an agreement that delivers value to the Company. This may include further exploration work and discussions with third parties on potential agreements.

FAU also has a Mining Lease application progressing on the Gimlet Gold project, which if granted will allow the Company to further advance the project. The application is currently negotiating with two Native Title parties who believe they have a claim of the area covered by the tenement. FAU expects this to be resolved in the near future, allowing the Company to continue to advance the application.

The Company will provide updates on the Project and any progress when appropriate.

Talga Project

On 5 January 2021, the Company announced that it has entered into formal Farm-In and Joint Venture Agreement with Octava Minerals Limited ('Octava') (JVA), previously named 8 Au Limited. The JVA replaced the Terms Sheet the Company announced on 20 November 2020. The terms of the JVA reflect the commercial terms announced on 20 November, however, the Company negotiated

Review of Operations:

an increase in the amount to paid to it on commencement of the farm-in and joint venture as recognition for past expenditure at the Talga project (from \$100,000 to \$180,000).

Under the Joint Venture, Octava can earn up to an 80% in the Talga Project on a staged basis as follows:

Stage 1: Octava will earn an initial 10% interest by reimbursing FAU the amount of up to \$180,000 relating to costs incurred by FAU in respect to the IP survey. Octava will be obliged to earn a further 40.1% interest (aggregate 50.1% Stage 1 interest) by spending \$300,000 on exploration expenditure within 1 year of the effective date of the agreement.

Stage 2: Octava may earn an additional 19.9% interest (70% total interest) in the Talga Project by spending \$600,000 (inclusive of the expenditure incurred in obtaining Stage 1) in exploration expenditure within 2 years of the effective date of the agreement.

Stage 3: Octava may earn an additional 10.0% (80% total interest) by spending \$900,000 (inclusive of the expenditure incurred in obtaining Stage 1 and Stage 2) in exploration expenditure within 3 years of the effective date of the agreement.

After the completion of Stage 3, FAU (20%) will be free carried to decision to mine. The Company announced on 2 March 2021 that it had received shareholder approval to proceed with the transaction.

The rationale for the transaction is that FAU's current focus and priority is on the exploration of the areas comprising the interests in the Company's VicGold project, the Gimlet Gold project and the Mabel Creek project. If FAU approved the proposed transaction, the exploration activities of Octava may provide a benefit to FAU as it will retain an interest in the Talga project, while it continues to focus its exploration on other projects.

Octava intended on completing its listing on the ASX in early December 2021, however, Octava was not able to raise the money required to complete the listing. FAU agreed to extend the agreement with Octava so they could re-attempt listing on the ASX. Octava has since made changes to the company name (now Octava Minerals Limited), Board & Management and the projects.

Post the end of the reporting period, FAU announced in accordance with ASX guidance, the ASX has advised FAU that it will require new shareholder approval for the proposed JVFI of the Talga project transaction to proceed due to the time that has elapsed since the previous approval for the transaction was obtained in March 2021. FAU is in the process of organising a general meeting for shareholders to vote on the transaction and expects to dispatch the Notice of Meeting to shareholders in April 2022, with the General Meeting to be held in May 2022.

FAU and Octava have also agreed to extend the end date to complete the transaction to 12 August 2022 (conditional on Octava lodging its Prospectus with ASIC on or before 15 July 2022).

FAU announced positive results in relation to an Induced Polarization (IP) survey completed at the end 2020, at its Razorback Gold prospect near Marble Bar in the Pilbara on 15 January 2021¹³ (Figures 22). The objective of the survey was to map the disseminated sulphides, potentially associated with gold mineralization in the host rock at depth.

A detailed 2 km² gradient array resistivity/IP survey (Figure 23), covering 4km of strike was completed. An initial orientation survey over the known gold mineralisation shows a distinct IP anomaly thought to be due to disseminated sulphides associated with the gold mineralization

Review of Operations:

(Figure 24). IP and Resistivity anomalies, and possible structures have been identified in the survey data. A total of 11 gold targets have been identified for drilling, which include extensions to two targets that have already been drilled and shown to have mineralization. The IP survey that occurred, followed a line on known mineralization identified from historic surface sampling, mapping, and drilling.

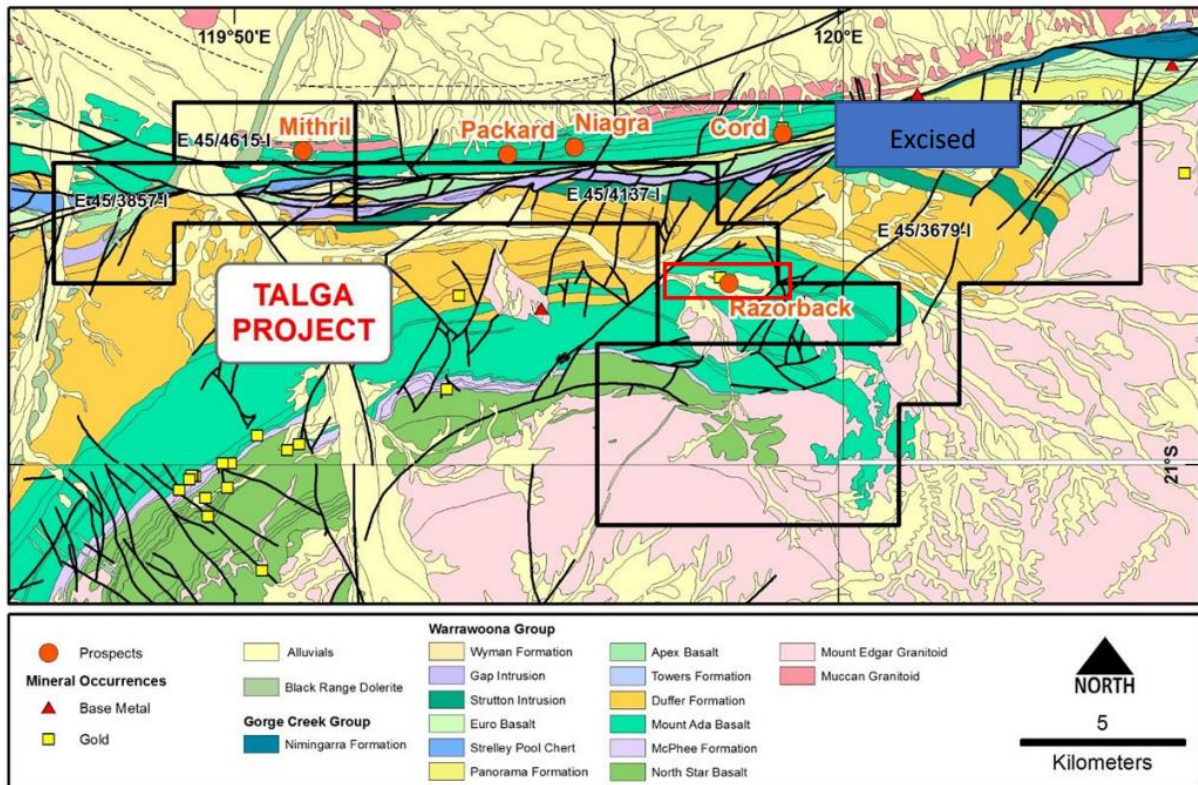
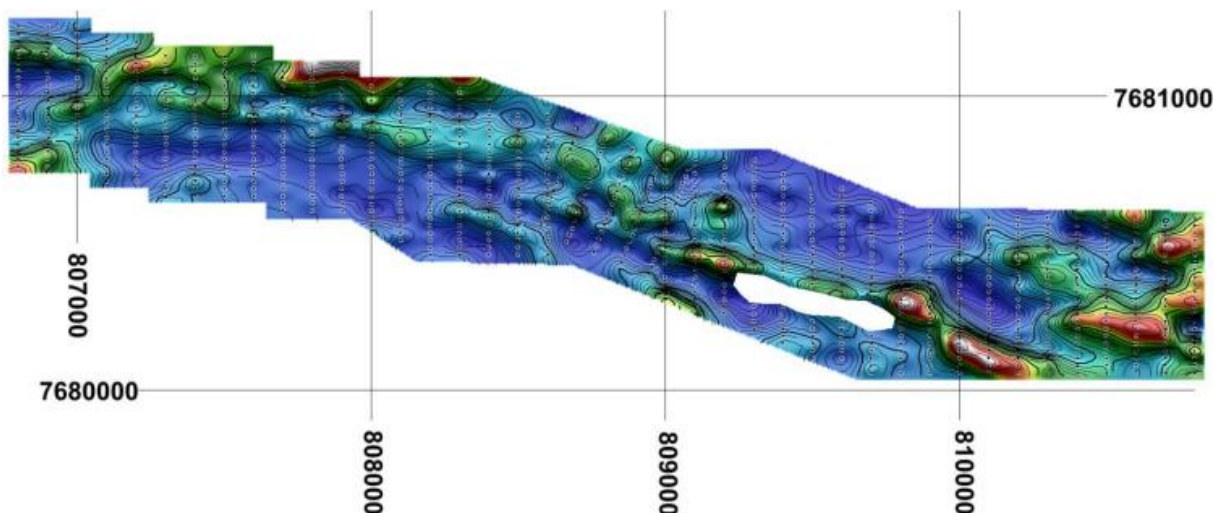


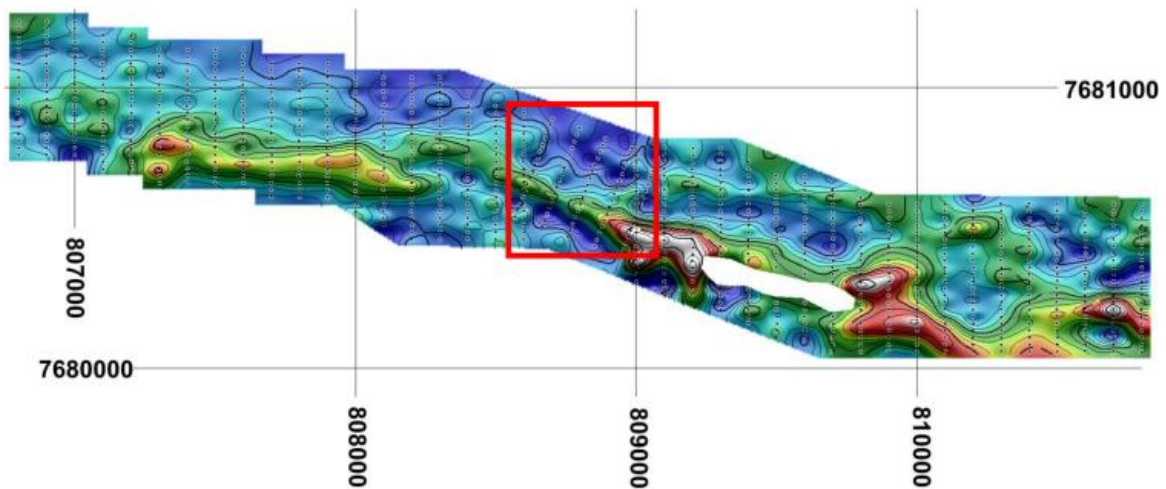
Figure 22. Talga Project geology map, showing Razorback Au Prospect and area of IP survey (red rectangle) (Co-ords MGA94, lat/log)

Merged Apparent Resistivity image (non-linear colour stretch) with contours



Review of Operations:

Merged Chargeability image (non-linear colour stretch) with contours



Interpretation classifying survey anomalies

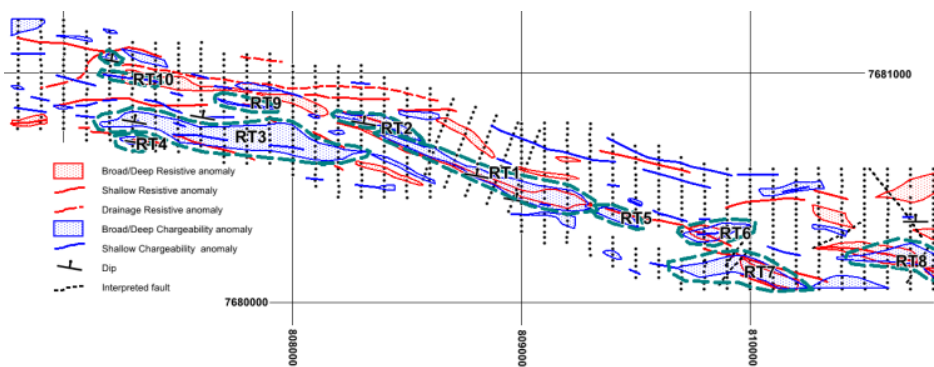


Figure 23. Ip/ Chargeability images, with interpretation of survey, with target identification. Note location of orientation survey area (red rectangle). (Co-ords MGA94, zone 50)

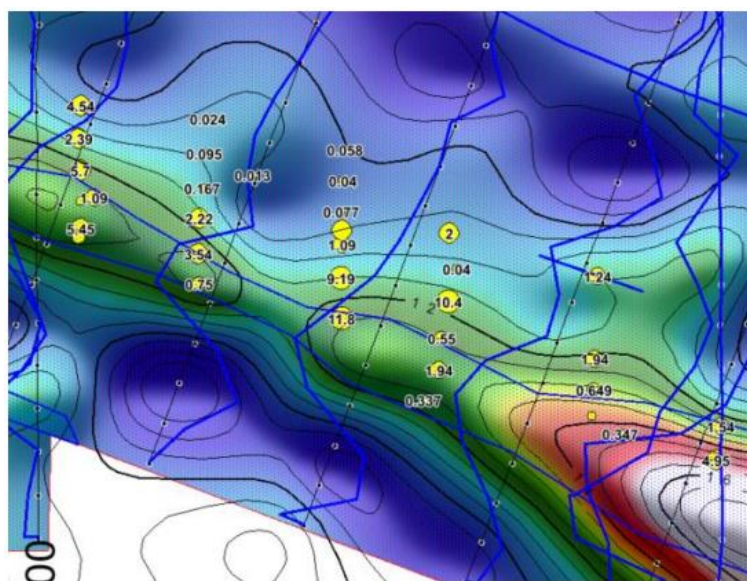


Figure 24. Chargeability image (see red rectangle in figure 3 for location) and profiles over the area where an initial orientation survey was completed, showing the correlation of chargeability anomalies with maximum gold intersected in drill holes.

Review of Operations:

The information in this ASX Release that relates to Exploration Results is extracted from the following reports which are all available at www2.asx.com.au.

1. 7 April 2021, "Early Results Positive at Snowstorm", Dr Gavin England, competent person.
2. 10 June 2021, "Snowstorm Drilling Intersects Mineralised Dyke Swarm", Dr Gavin England, competent person.
3. 14 January 2021, "Further High-Grade Drilling Results at Snowstorm Project, Victoria", Dr Gavin England, competent person.
4. 30 October 2020, "First Au Accelerates Exploration at Victorian Gold Project", Dr Gavin England, competent person.
5. 3 June 2020, "First Au to Acquire Victorian Gold Exploration Project", Dr Gavin England, competent person.
6. 3 February 2021, "More High-Grade Rock Chip Results at VicGold Project, Drilling to Commence this month at Snowstorm", Dr Gavin England, competent person.
7. 22 September 2022, "Copper Porphyry Potential at Dogwood Prospect, Victoria", Dr Gavin England, competent person.
8. 27 July 2021, "New Cu-Au Mabel Creek Project in Highly Prospective Terrain, South Australia", Dr Gavin England, competent person.
9. 24 March 2022, "First Au Identified Initial Gold and IOCG Target for Mabel Creek, South Australia", Dr Gavin England, competent person.
10. 29 January 2021, "Gimlet Drilling Results, up to 30 g/t Au", Dr Gavin England, competent person.
11. 7 May 2019, "Maiden JORC Resource", Mr Andrew Bewsher and Dr Gavin England, competent persons.
12. 23 June 2021, "JORC Resource Increases at Gimlet to Inferred Resource of 120,000 Ounces Au", Mr Andrew Bewsher and Dr Gavin England, competent persons.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context of the respective competent persons' findings in relation to those reports have not been materially modified from the original market announcement.

First Au Limited

ABN 65 000 332 918

Directors' Report

The Directors present their financial report for the consolidated entity consisting of First Au Limited ('Company' or 'FAU') and the entities it controls (consolidated entity or group) for the year ended 31 December 2021.

Directors:

Names of Directors of First Au Limited during or since the end of the year up to the date of this report:

Bryan Frost – Executive Chairman and Managing Director

Richard Revelins – Non-Executive Director

Damon O'Meara – Non-Executive Director

Michael Quinert – Non-Executive Director

Mr Gavin England – Technical Director: Resigned 22 March 2022

Particulars of each person's experience and qualifications are set out in this report.

Principal Activities:

The principal activity of the Company is exploration for gold and base metals at its interests in mining tenements located in Western Australia, Victoria and South Australia. There have been no significant changes to the principal activity during the year.

Operating Results:

The net loss for the year ended 31 December 2021 was \$3,878,658 (2020: \$2,381,986).

Net cash inflow after operating, investing and financing activities was \$1,417,397 (2020: Net inflow \$70,236). The cash balance of the Company at 31 December 2021 was \$2,531,155 (2020: \$1,113,758).

Further information in relation to these operating results can be located in the attached financial statements.

Likely Developments and Expected Results:

The Company will continue its exploration activities with the objective of advancing these activities to development or mining stage. Reference should be made to announcements by the Company on ASX after the reporting period as these announcements comment on likely developments that may affect future results.

Significant changes in the state of affairs:

During the year, the Company's share capital increased by \$3,113,487 net of costs. An option rights issue on 22 February 2021 raised a further \$2,265,515 net of costs. Further information is set out in the Financial Statements.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company during the year under review not otherwise disclosed in this Annual Report.

Environmental Issues:

The Company's operations are subject to significant environmental regulations under statutory legislation in relation to its exploration activities. The Directors monitor compliance with environmental legislation and are not aware of any significant breaches during the year and to the date of this report.

Options:

Options issued during the year:

- Options Rights Issue: 462,103,004 listed options
- Options to CEO: 5,000,000 unlisted options
- Share placement: 76,828,593 listed options
- Securities Purchase Plan: 7,812,517 listed options
- Services rendered by Lead Manager in relation to Placement: 35,000,000 unlisted options

Options expired during the year: 13,500,000

Further details are set out in the financial statements.

Directors' Report (Cont'd)

Dividends Paid or Recommended:

No dividend has been paid or recommended in respect of the year ended 31 December 2021 (2020: Nil).

Information Relating to Directors, CEO, Company Secretary and CFO:

Bryan J Frost

Qualifications:

Investment Banker

Experience:

Mr Frost is Executive Chairman and Managing Director of First Au Limited (ASX: FAU) and Executive Chairman of Peregrine Corporate Limited.

Mr Frost has a career spanning nearly 60 years that includes experience in stockbroking, investment banking, venture capital, direct investment and corporate structuring. In 1989, Mr Frost co-founded Peregrine Corporate Limited, an Australian boutique investment bank which maintains a Financial Services Licence. Mr Frost has been involved in a myriad of public companies, usually through appointments to board positions and direct funding in a number of sectors including consumer products, mining, biotechnology and technology in Australia, Canada, South Africa, USA, UK, Ghana, Chile, and several other countries.

Interest in shares and options:

33,272,196 ordinary shares
28,989,650 options

Special responsibilities:

Executive Chairman and Managing Director

Directorships held in other listed entities during the three years prior to the current year:

None

Length of service:

Appointed to the Board on 19 September 2014

Richard Revelins

Qualifications:

Bachelor of Economics Degree from Monash University

Experience:

Mr Revelins is Executive Director of First Au Limited (ASX: FAU) and Director and co-founder of Peregrine Corporate Limited. Mr Revelins is also a Managing Director at Cappello Group Inc in Los Angeles, USA. Mr Revelins has over 35 years of experience with international investment banks in the area of corporate finance and corporate advice. Mr Revelins has predominantly specialised in mining and natural resources and was the former Chairman of Atlas Iron Ltd as well as a director of numerous other public and private companies.

Interest in shares and options:

6,000,000 ordinary shares
10,800,000 options

Special responsibilities:

Non-Executive Director: Corporate finance and corporate advice

Directorships held in other listed entities during the three years prior to the current year:

None

Length of service:

Appointed to the Board on 8 June 2018

Damon O'Meara

Qualifications:

Bachelor of Education, Diploma of Teaching

Experience:

Over 40 years experience in the mining industry, having worked for Denis O'Meara Prospecting and former ASX-Listed Miralga Mining NL. Denis O'Meara Prospecting founders of Atlas Iron, Kalamazoo Resources and De Grey Mining.

Co-founder of Outback Trees of Australia which has been contracting to prominent mining groups Rio Tinto, BHP, FMG, Chevron, Woodside, Mineral Resources and others for over 30 years, currently MD of private exploration companies Great Sandy Pty Ltd and Mineral Edge Pty Ltd.

First Au Limited

ABN 65 000 332 918

Directors' Report (Cont'd)

Information Relating to Directors, CEO, Company Secretary and CFO (Cont'd):

Damon O'Meara (Cont'd)

Interest in shares and options: 26,276,383 ordinary shares
5,000,000 options.

Special responsibilities: Non-Executive Director: Tenement management
Directorships held in other listed entities during the three years prior to the current year: None
Length of service: Appointed to the Board on 8 June 2018

Michael Quinert

Qualifications: Degrees in Economics and Law from Monash University
Experience: Mr Quinert has over 35 years' experience as a commercial lawyer and over 25 years as a partner in a Melbourne law firm. He has extensive experience in assisting and advising public companies on capital raising and market compliance issues. Mr Quinert is Chairman of ASX listed West Wits Mining Limited (ASX: WWI), a company with active gold mining activities in South Africa and Australia, and is a non-executive Director of First Graphene Limited (ASX:FGR), a company that is a leading supplier of high-performing graphene products..

Interest in shares and options: 1,085,113 ordinary shares
7,868,106 options
Special responsibilities: Non-Executive Director: Chair of Audit Committee
Directorships held in other listed entities during the three years prior to the current year: Non-Executive Chairman of West Wits Mining Limited; Non-Executive Director of First Graphene Limited.
Length of service: Appointed to the Board on 8 June 2018

Gavin England: Resigned as Director 22 March 2022

Qualifications: PhD (Geology) from the University of Western Australia and BSc (First Class) in Geology from Curtin University, Western Australia (Dux of Year), post-graduate Research Fellow at the University of Edinburgh

Experience: Dr England has been spearheading First Au's exploration effort for the past two years as Chief Consulting Geologist. Dr England was also instrumental in securing First Au's acquisition of interests in the VicGold Project comprising gold leases in the East Gippsland region of the Victoria Goldfields. Dr England has extensive local and international experience with many mining companies including Normandy Group, Consolidated Minerals, Gold Field, Lion Ore, Impact Minerals, White Cliff Nickel, Energy and Minerals Australia and Magnetite Mines (previously Royal Resources).

Interest in shares and options: 5,276,669 ordinary shares
2,000,000 options
Special responsibilities: Dr England will continue to provide consulting services to the Company and its exploration programs on an ad hoc basis.
Directorships held in other listed entities during the three years prior to the current year: None
Length of service: Appointed to the Board on 16 October 2020; Resigned 22 March 2022

Directors' Report (Cont'd)

Information Relating to Directors, CEO, Company Secretary and CFO (Cont'd):

Ryan Skeen

Qualifications:

Experience:

Chief Executive Officer – Appointed 26 July 2021

Master of Applied Finance (Distinction), Bachelor of Business (Financial Risk management)

Deep understanding of financial and economic markets while providing investment and strategic advice to complex situations. Well versed in various capital raisings including IPO's, placements and rights issues and is focused on business development and growth.

Paul Godfrey

Qualifications:

Experience:

Company Secretary

Bachelor of Law (Honours), Bachelor of Legal Studies

Paul is a Senior Associate at law firm Quinert Rodda & Associates and has practiced exclusively in corporate and commercial law since his admission in February 2017. Paul has held the position of Company Secretary from 3 March 2021. Paul is also the joint Company Secretary of West Wits Mining Limited (ASX:WWI).

David W McBain

Qualifications:

Experience:

Chief Financial Officer

Fellow - Chartered Accountants Australia and New Zealand (FCA), member of Governance Institute of Australia, and Fellow - Australian Institute of Company Directors (FAICD), Business Studies (RMIT)

David held the position of Company Secretary of FAU from September 2006 to 3 March 2021. He has over 50 years of professional experience in the areas of company secretarial, business assurance and statutory audits, taxation and business advisory services.

Directors' Meetings:

The following table sets out the number of meetings of the Company's Directors held during the year ended 31 December 2021 and the number of meetings attended by each Director. Mr Frost and Mr Revelins were ineligible to attend one meeting as they had a conflict of interest. The following table includes Director meetings held by written circulating resolution:

	<i>Directors' Meetings</i>		<i>Audit Committee</i>	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Bryan Frost	23	20	2	1
Richard Revelins	23	19	2	2
Damon O'Meara	24	24	2	2
Michael Quinert	24	24	2	2
Gavin England	24	15	2	1

Events after the Reporting Date:

No matters or circumstances, with the exception the matters set out in this section and the ongoing effects of Coronavirus, have arisen since the end of the financial reporting period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Covid-19 is having a significant impact on the world and Australian economy. The Directors are continuing to monitor developments relating to Covid-19 including the implementation of laws and regulations by State and the Federal Government which may impact ongoing operations and the Company's future financial results. At this stage, there has been no material financial impact on the Company. Reference should be made to announcements on ASX after the reporting period as these announcements comment on likely developments that may affect future results.

Directors' Report (Cont'd)

Events after the Reporting Date (Cont'd):

Victorian Exploration Licences Granted:

FAU announced to the ASX on 30 March 2022 that four Exploration Licences, EL006975, EL006976, EL006977 and EL007335 had been granted at its VicGold project in East Gippsland, Victoria. Under the terms of the transaction between FAU and the Vendors of Victorian Goldfields Pty Ltd (refer ASX announcement dated 10 August 2020) the Vendors will receive 25,000,000 fully paid ordinary shares on the granting of Exploration Licences, EL006975, EL006976, EL006977.

Dr Gavin England's resignation as a Director:

An Announcement was made to the ASX on 22 March 2022 that Dr England had given notice to the Board of his resignation as a Director of the Company effective immediately. It was noted that Dr England would continue to provide consulting services to the Company and its exploration programs on an ad hoc basis.

Talga:

Talga Farm-In re-approval at General Meeting of Shareholders:

- a) At a General Meeting of shareholders held 19 February 2021, shareholders approved the Company entering into a farm-in and joint venture with Octava Minerals Limited (previously named 8 Au Limited).
- b) ASX has advised that FAU will require shareholder to refresh this approval of the Talga farm-in and joint venture agreement.
- c) A General Meeting of shareholders is being organised for May 2022 to re-approve the Company entering into a farm-in and joint venture with Octava Minerals Limited.
- d) Refer Announcement to ASX dated 23 March 2022: Update on Talga Project JV and Farm-In.

Talga Farm-In and Joint Venture Agreement:

- a) Octava Minerals Limited ("Octava") and First Au Limited ("FAU") entered into a farm-in and joint venture agreement ("Talga Agreement") dated 5 January 2021 under which Octava can earn up to an 80% interest in the tenements forming the Talga Gold and Base Metals Project located in the East Pilbara region of Western Australia ("Talga Project").
- b) Commencement of the farm-in and joint venture is conditional upon a number of conditions being satisfied, due diligence and required regulatory approvals being obtained.
- c) The following are conditions precedent:
 - Octava receiving confirmation from the ASX that it will admit Octava to the Official List of the ASX subject to typical administrative and completion conditions.
 - The Tenements not being withdrawn or revoked prior to the completion date (listing on ASX).
 - No event occurring prior to the completion date which adversely affects the rights or interests proposed to be acquired by Octava.
- d) Octava will acquire a 50.1% undivided and unencumbered interest in the tenements as a tenant in common ("Stage 1 Interest") upon:
 - Octava making a payment on the date upon which all conditions precedent other than there being no material adverse event having been satisfied ("Effective Date") of a maximum of \$180,000, as reimbursement of expenditure incurred by FAU directly in connection with IP survey costs prior to the date of the Talga Agreement, at which time Octava will be deemed to have a 10% interest in the Tenements; and
 - Octava incurring Expenditure of not less than \$300,000 within one (1) year of the Effective Date ("Stage 1 Period"), at which time the interest of Octava in the tenements will increase by 40.1%, from 10% to 50.1%.
- e) If Octava earns the Stage 1 Interest, then Octava will hold a 50.1% interest and FAU will hold a 49.9% interest in the tenements as tenants in common. Subject to satisfaction of the conditions precedent, Octava is committed to incurring the Expenditure required to acquire the Stage 1.

Directors' Report (Cont'd)

Events after the Reporting Date (Cont'd):

- f) Subject to Octava earning the Stage 1 Interest, FAU grants Octava the right, but not the obligation, to acquire a further 19.9% undivided and unencumbered interest in the Tenements as a tenant in common ("Stage 2 Interest") by incurring aggregate Expenditure (inclusive of Expenditure incurred in connection with obtaining the Stage 1 Interest) of not less than \$600,000 within two (2) years of the Effective Date ("Stage 2 Period"). Octava may exercise its right to acquire the Stage 2 Interest by giving the Company notice in writing within 21 days from the end of the Stage 1 Period. In the event Octava elects to exercise its right to acquire the Stage 2 Interest, Octava is committed to incurring the Expenditure required to acquire the Stage 2 Interest.
- In the event that Octava does not make an election to earn the Stage 2 Interest within 21 days from the end of the Stage 1 Period, the parties will be in a joint venture where Octava will hold a 50.1% interest and the Company will hold a 49.9% interest.
- If Octava earns the Stage 2 interest then Octava will hold a 70% interest and the Company will hold a 30% interest in the Tenements as a tenants in common.
- g) Subject to Octava earning the Stage 2 Interest, FAU grants Octava the right, but not the obligation, to acquire a further 10% undivided and unencumbered interest in the Tenements as a tenant in common ("Stage 3 Interest") by incurring aggregate Expenditure (inclusive of aggregate Expenditure incurred in connection with obtaining the Stage 1 Interest and Stage 2 Interest) of not less than \$900,000 within three (3) years of the Effective Date ("Stage 3 Period"). Octava may exercise its right to acquire the Stage 3 Interest by giving the Company notice in writing within 21 days from the end of the Stage 2 Period. In the event Octava elects to exercise its right to acquire the Stage 3 Interest, Octava is committed to incurring the Expenditure required to acquire the Stage 3 Interest.
- In the event that Octava does not make an election to earn the Stage 3 Interest within 21 days from the end of the Stage 2 Period, the parties will be in a joint venture where Octava will hold a 70% interest and the Company will hold a 30% interest.
- If Octava earns the Stage 3 interest then Octava will hold a 80% interest and the Company will hold a 20% interest in the Tenements as a tenants in common.
- From the point at which Octava earns the Stage 3 Interest, the Company will be free-carried through to a decision to mine in respect of the Talga Project.
- h) References above to "Expenditure" means all outgoing (including rents, rates, survey fees and other fees and charges under any applicable legislation or otherwise directly connection with the Tenements) and all costs and expenses incurred by or on behalf of Octava in respect of any activity directly connected to the discovery, location and delineation of minerals on the Tenements and any activities which are reasonably incidental thereto including, without limitation, undertaking feasibility studies, drilling, maintaining the Tenements and accessing the land on which the Tenements are located.

Indemnifying Officers or Auditor:

During the financial year the Company entered into an insurance policy to indemnify Directors and Officers against certain liabilities incurred as a Director or Officer. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an Officer or Auditor of the Company against a liability incurred as Officer or Auditor.

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 intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit Services:

There were no non-audit services provided to the Company by the audit firm during the year.

Auditor's Independence Declaration:

The Auditor's Independence Declaration for the year ended 31 December 2021 has been received and a copy is attached to the Financial Statements.

Directors' Report (Cont'd) Remuneration Report – (Audited)

Remuneration Policy:

This Report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the key management ('KMP') of First Au Limited for the year ended 31 December 2021. The information provided in the Remuneration Report has been audited as required by Section 308(3C) and the *Corporations Act 2001*.

The Remuneration Report details the remuneration arrangements of KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director of the Group.

As the Company has a small Board, the full Board acts as Nomination Committee and Remuneration Committee and is responsible for determining and reviewing compensation arrangements for Directors. The Company's only employee is the Chief Executive Officer.

The Board does not link the nature and amount of Directors' Remuneration to the Company's financial and operational performance.

The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The remuneration arrangement is considered appropriate for the present stage of development of the Company and the activities it undertakes.

Performance based remuneration:

The Company does not pay performance-based remuneration to any Director.

Key Management Personnel ('KMP') Shareholdings:

Ordinary shares and options in the Company held directly, indirectly or beneficially by each KMP during the financial year was as follows:

SHARES

Bryan Frost
Gavin England
Damon O'Meara
Michael Quinert
Richard Revelins
Ryan Skeen

Balance at Beginning of Year	Disposed	Acquired	Balance at End of Year
28,272,196	-	5,000,000	33,272,196
5,276,669	-	-	5,276,669
26,276,383	-	-	26,276,383
1,085,113	-	-	1,085,113
6,000,000	-	-	6,000,000
-	-	480,454	480,454

OPTIONS

Includes Options quoted and unquoted
Bryan Frost
Gavin England
Damon O'Meara
Michael Quinert
Richard Revelins
Ryan Skeen

Balance at Beginning of Year	Options Expired	Acquired	Balance at End of Year
21,000,000	(10,000,000)	17,989,650	28,989,650
-	-	2,000,000	2,000,000
3,000,000	-	2,000,000	5,000,000
6,000,000	-	1,868,106	7,868,106
11,000,000	(5,000,000)	4,800,000	10,800,000
-	-	5,000,000	5,000,000

Directors' Report (Cont'd) Remuneration Report (Cont'd)

Details of Remuneration for Year Ended 31 December 2020:

Directors	Role	Short term benefits Fees \$	Share-based Payments Unlisted Options \$	Post - employment benefits \$	Total \$
Bryan Frost	Director and strategic services	130,000	-	-	130,000
	CEO services	120,000	-	-	120,000
	Share-based payments *A	-	9,854	-	9,854
		250,000	9,854	-	259,854
Richard Revelins	Director and strategic services	40,000	-	-	40,000
	Consultancy and management services	120,000	-	-	120,000
	Share-based payments *A	-	5,375	-	5,375
		160,000	5,375	-	165,375
Damon O'Meara	Director and strategic services	40,000	-	-	40,000
	Share-based payments *A	-	5,375	-	5,375
Michael Quinert	Director and strategic services	40,000	-	-	40,000
	Share-based payments *A	-	2,688	-	2,688
Gavin England	Director - Technical	198,737	-	-	198,737
Total Key Management Personnel Remuneration		688,737	23,292	-	712,029

Details of Remuneration for Year Ended 31 December 2021:

Directors	Role	Short term benefits Fees \$	Share-based Payments Unlisted Options \$	Post - employment benefits \$	Total \$
Bryan Frost	Chairman and Managing Director services	250,000	-	-	250,000
	Share-based payments *A	-	47,301	-	47,301
		250,000	47,301	-	297,301
Richard Revelins	Director and strategic services	45,000	-	-	45,000
	Consultancy and management services	158,311	-	-	158,311
	Share-based payments *A	-	25,800	-	25,800
		203,311	25,800	-	229,111
Damon O'Meara	Director and strategic services	40,000	-	-	40,000
	Share-based payments *A	-	12,900	-	12,900
Michael Quinert	Director and strategic services	48,334	-	-	48,334
	Share-based payments *A	-	25,800	-	25,800
Gavin England	Director - Technical	153,510	-	-	153,510
Ryan Skeen	Chief Executive Officer - refer Note B	55,995	-	5,599	61,594
	Share-based payments	-	8,847	-	8,847
Total Key Management Personnel Remuneration		751,150	120,648	5,599	877,397

*A: Options issued to Directors allocated over vesting period. Refer Note 9a of the Financial Statements.

*B: Ryan Skeen commenced employment 26 July 2021. Share based payment relates to 5 million options issued 28 July 2021. Refer Note 9a of the Financial Statements.

Directors' Report (Cont'd) Remuneration Report (Cont'd)

Share based payments represents the expense related to participation in the Employee Security Ownership Plan as measured by the fair value of unquoted options on grant date proportionally allocated over the vesting period. Options were valued at grant date based on Black-Scholes methodology and the cost spread over the vesting period. Refer to the following section on Options for vesting periods. Also refer Financial Statement section 9a for vesting periods.

Bryan Frost and Richard Revelins are Directors and shareholders of Peregrine Corporate Ltd an AFSL company which received a commission of \$70,633 during the year. The commission was paid for specified share placements and a proportion of the commission was paid out to other qualified parties who assisted with the issue of the equity securities.

Michael Quinert is a Partner in the legal firm, Quinert Rodda & Associates which received fees during the year of \$142,570 on normal commercial terms.

Agreements with Directors:

Each Director has entered into an Agreement with the Company. The Agreements contain provisions considered standard for agreements of this nature. Appointment ceases when the Company is advised in writing of the resignation or as otherwise in accordance with the Company's Constitution. In the case of the Chairman and Managing Director, twelve months written notice of termination is required. No Directors are entitled to any termination payment apart from remuneration payable up to and including the date of termination.

Options:

The following table shows options issued 14 October 2020 as remuneration during the year ended 31 December 2020. All options expire on 14 October 2023, being 3 years from the issue date of these options:

RECIPIENT*	Exercise: \$0.03 Vest: 18 months from the issue date	Exercise: \$0.03 Vest: 24 months from the issue date	Exercise: \$0.035 Vest: 30 months from the issue date	Exercise: \$0.035 Vest: 30 days prior to the expiry date	TOTAL
Bryan Frost	2,750,000	2,750,000	2,750,000	2,750,000	11,000,000
Richard Revelins	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Michael Quinert	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Damon O'Meara	750,000	750,000	750,000	750,000	3,000,000
Total	6,500,000	6,500,000	6,500,000	6,500,000	26,000,000

** options may have been issued to nominee(s) of recipients as advised to the Company.*

This concludes the Remuneration Report which has been audited.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Bryan Frost
Executive Chairman and Managing Director
Dated: 31 March 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF FIRST AU LIMITED**

In accordance with the requirements of Section 307C of the Corporations Act 2001, as lead auditor for the audit of First Au Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in 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.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd


Rod Hutton
Partner

Hawthorn
31 March 2022

**Statement of Profit or Loss
and Other Comprehensive Income
For the Year Ended 31 December 2021**

	Note	Consolidated Entities 31 Dec 2021 \$	Consolidated Entities 31 Dec 2020 \$
Revenue	2	81,688	691,658
Expenses			
Exploration expenses		(2,590,632)	(2,280,139)
Public relation and promotion		(168,765)	(84,609)
Administration expenses		(768,771)	(692,726)
Prospectus Expenses		(432,178)	(16,170)
Loss before income tax	2	(3,878,658)	(2,381,986)
Income Tax expense	3	-	-
Net Loss for the year		(3,878,658)	(2,381,986)
Other Comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain (Loss) on fair value investment measured through other comprehensive income		-	19,523
Total Comprehensive Loss for the year		(3,878,658)	(2,362,463)
Earnings (Loss) per ordinary share		2021 Cents/share	2020 Cents/share
Basic earnings (loss) per share		(0.59)	(0.76)
Diluted earnings (loss) per share		(0.35)	(0.36)

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 31 December 2021

		Consolidated Entities	Consolidated Entities
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,531,155	1,113,758
Other receivables	4	178,115	178,069
Other financial assets	5	408,703	320,508
TOTAL CURRENT ASSETS		3,117,973	1,612,335
NON-CURRENT ASSETS			
Exploration and evaluation	6	2,247,966	2,227,966
Motor vehicles	7	116,336	86,023
TOTAL NON-CURRENT ASSETS		2,364,302	2,313,989
TOTAL ASSETS		5,482,275	3,926,324
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		270,149	473,595
TOTAL CURRENT LIABILITIES AND TOTAL LIABILITIES		270,149	473,595
NET ASSETS		5,212,126	3,452,729
EQUITY			
Issued capital	8	16,864,972	13,751,485
Reserves	9	3,062,297	605,229
Accumulated losses		(14,715,143)	(10,903,985)
TOTAL EQUITY		5,212,126	3,452,729

The accompanying notes form part of these financial statements.

First Au Limited and Controlled Entities

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Statement of Changes in Equity For the Year Ended 31 December 2021

	Note	Share Capital	Share Based Payment Reserve	Options Reserve	Contingent Consideration Reserve	Accumulated Losses	Total
		\$	\$	\$		\$	\$
Balance at 31 December 2019		10,705,489	72,500	-	-	(8,546,522)	2,231,467
Net loss for the year		-	-	-	-	(2,381,986)	(2,381,986)
Other Comprehensive Income		-	-	-	-	-	-
Fair value movement in listed investment		-	-	-	-	19,523	19,523
Share placement 11 June 2020		747,000	-	-	-	-	747,000
Fees paid for share placement		(28,200)	-	-	-	-	(28,200)
Securities Purchase Plan 22 July 2020		280,000	-	-	-	-	280,000
Deferred Consideration Shares 25 August 2020		247,000	-	-	-	-	247,000
Share placement 6 October 2020		1,553,400	-	-	-	-	1,553,400
Fees paid for share placement		(93,204)	-	-	-	-	(93,204)
VicGold Vendors - shares allotted 9 October 2020		340,000	-	-	-	-	340,000
Corporate Adviser fees on 1 million options lapsed 15 December 2020	9	-	(5,000)	-	-	5,000	-
Milestone shares to VicGold vendors - contingent on grant of exploration licences for tenements		-	-	-	510,000	-	510,000
Fair value of unlisted options issued to Directors & Management Team as share based payments	9	-	25,979	-	-	-	25,979
Fair value of unlisted options issued to Consultant as share based payment	9	-	1,750	-	-	-	1,750
Balance at 31 December 2020		13,751,485	95,229	-	510,000	(10,903,985)	3,452,729
Net loss for the period		-	-	-	-	(3,878,658)	(3,878,658)
Corporate Adviser and Vendor unlisted options lapsed 1 March 2021	9	-	(67,500)	-	-	67,500	-
Capital received from Investors - share placement - 16 February 2021	8	1,280,000	-	-	-	-	1,280,000
Fees paid for share placement	8	(85,500)	-	-	-	-	(85,500)
Share based payment	8	20,000	-	-	-	-	20,000
Options Rights issue	9	-	-	2,310,515	-	-	2,310,515
Fees paid for rights issue		-	-	(45,000)	-	-	(45,000)
Fair value of unlisted options issued to Directors & Management Team as share based payments	9	-	124,702	-	-	-	124,702
Fair value of unlisted options issued to Consultant as share based payment	9	-	18,509	-	-	-	18,509
Fair value of unlisted options issued to CEO as share based payment	9	-	8,847	-	-	-	8,847
Capital received from Investors - share placement 19 October 2021	8	1,843,886	-	-	-	-	1,843,886
Securities Purchase Plan ('SPP')	8	187,500	-	-	-	-	187,500
Fees paid for share placement and SPP	8	(132,399)	-	-	-	-	(132,399)
Fair value of listed options issued to Lead manager as consideration for share placement	9	-	106,995	-	-	-	106,995
Balance at 31 December 2021		16,864,972	286,782	2,265,515	510,000	(14,715,143)	5,212,126

The accompanying notes form part of these financial statements.

First Au Limited and Controlled Entities

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Statement of Cash Flows For the Year Ended 31 December 2021

		Consolidated Entities 31 Dec 2021 \$	Consolidated Entities 31 Dec 2020 \$
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant funds received		-	37,158
Proceeds from sale of listed shares		718,107	1,494,959
Payments for listed shares		(724,818)	(971,175)
Payments to suppliers		(1,193,042)	(788,915)
Exploration costs		(3,045,766)	(2,186,462)
Interest received		207	444
GST received from ATO		349,335	209,699
Net cash used in operating activities	10	(3,895,977)	(2,204,292)
CASH FLOWS FROM INVESTING ACTIVITIES			
Tenement acquisitions	12e	(20,000)	(114,992)
Motor vehicle purchased	7	(37,668)	(88,291)
Net cash used in investing activities		(57,668)	(203,283)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds received from capital raising		5,621,901	2,580,400
Fees paid for capital raising		(262,899)	(121,404)
Proceeds from borrowings-Insurance Premium		51,485	31,418
Repayment of borrowings-Insurance Premiums		(39,445)	(12,603)
Net cash provided by financing activities		5,371,042	2,477,811
Net (decrease) / increase in cash and cash equivalents held		1,417,397	70,236
Cash and cash equivalents at 1 January		1,113,758	1,043,522
Cash and cash equivalents at 31 December		2,531,155	1,113,758

The accompanying notes form part of these financial statements.

First Au Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2021

1) Summary of Significant Accounting Policies

a) Corporate Information

First Au Limited ('FAU' or 'Company' or 'Group') is a listed public company, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors of the Company on the same date as the Directors' Report.

b) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

c) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of FAU and all of the subsidiaries as set out in Note 17. Subsidiaries are entities that FAU controls. FAU controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the FAU from the date on which control is obtained by FAU. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between FAU's entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by FAU.

d) Revenue and Other Income

Interest revenue is recognised using the effective interest method.

e) Goods and Services Tax (GST)

Revenues (with the exception of interest), expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows and included in receipts from customers or payments to suppliers.

f) Income Tax

The income tax expense/ (income) for the year comprises current income tax expense/ (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income for the current period. Current tax liabilities/ (assets) are measured at the amounts expected to be paid to/ (recovered from) the Australian Tax Office (ATO) using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current income tax expense/ (income) is charged or credited directly outside profit or loss when the tax relates to items that are recognised outside profit or loss.

A deferred tax asset has not been recognised in respect of the carry forward amount of unused tax losses at this stage as it is not possible to determine when future taxable profits will be derived.

The benefit of tax losses will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for losses to be realised,

First Au Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2021

- the Company continues to comply with the conditions for deductibility imposed by tax legislation. This includes being able to satisfy the continuity of ownership test or the same business test which appear unlikely having regards to events noted after the reporting date; and
- no changes in tax legislation adversely affect the Company in realising the benefit from tax losses.

g) Tax Consolidation

The FAU and its wholly-owned Australian resident entities have formed a tax-Consolidated Group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is FAU. The members of the tax-consolidated Group are FAU, LGH Nominees Pty Ltd and Lions Share Gold Pty Ltd. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised where applicable in the separate financial statements of the members of the tax-consolidated Group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Where applicable current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by FAU (as head entity in the tax-consolidated Group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax-consolidated Group in accordance with the arrangement.

h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments with original maturities of three months or less.

i) Exploration and Development Expenditure

Acquisition of the mining tenements (exploration licence):

Mining tenements were acquired in consideration for shares and options during the capital raising process. The cost of acquiring these mining tenements has been capitalised as an asset.

All other expenditure on exploration and evaluation is expensed as incurred.

The capital cost of the mining tenements have been recognised as an asset based on:

- The rights to tenure of the area of interest are current, and;
- Exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.
- Exploration and evaluation assets are measured at cost.

Acquisition 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 the area is made.

Mining tenements are granted in order to maintain certain standards against which native title and environmental factors are measured. This ensures that the effects of exploration on the environment will be ecologically sound and that there are no conflicts with traditional owners of the land involved.

j) Impairment

At the end of each reporting period, the Company assesses exploration and evaluation assets for impairment. When facts and circumstances suggest that the carrying amount of an exploration and evaluation asset exceeds the recoverable amount, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

k) Share Based Payment Reserve

Equity-settled share based compensation benefits are provided to Directors and Shareholders and represent awards of shares or options in consideration for the rendering of services or purchase of

First Au Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2021

assets. The cost of equity-settled transactions are recognised as an expense with a corresponding increase in share based payment reserve.

l) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and realisation of assets and settlement of liabilities in the normal course of business.

The consolidated group incurred a net loss of \$3,878,658 for the year ended 31 December 2021 and a net cash inflow after operating, investing and financing activities of \$1,417,397. Net assets of the Company at 31 December 2021 were \$5,212,126.

In preparing the financial statements the Directors note that the ability of the Company to continue as a going concern is dependent upon:

- the containment of operating expenses at a level that is commensurate with the Company's level of operations;
- ability to raise sufficient capital and equity;
- enhancement of the value of retained assets;
- exploitation of the exploration and evaluation tenements; and
- disposal of any surplus exploration and evaluation tenements at a fair value that generates adequate cash flow to the Company.

If the Company was unable to raise additional capital, it would be able to defer or reduce its budgeted exploration expenditure such that the Company would remain a going concern for at least the period up to 12 months from the date of signing the financial report.

Covid-19 is having a significant impact on the world and Australian economy. The Directors' are continuing to monitor developments relating to Covid-19 including the implementation of laws and regulations by State and the Federal Government which may impact ongoing operations and the Company's future financial results. At this stage, there has been no material financial impact on the Company. Reference should be made to announcements on ASX after the reporting period as these announcements comment on likely developments that may affect future results.

On the basis of these factors, the Directors believe that the going concern basis of preparation of the financial statements is appropriate.

m) Segments:

Exploration and Evaluation Segment

The parent entity is involved in exploration and development in both Western Australia, South Australia and Victoria.

Share Trading:

A subsidiary company trades in listed securities quoted on the ASX.

n) Financial Instruments:

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the FAU becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (that is, trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs.

Share trading sales and purchases are recognised based on 'ASX Settlement Date' when the Group becomes a party to the contractual provisions of the share trade invoice.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method. Shares held are held at fair value and traded through Profit or Loss.

First Au Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2021

Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Receivables

Receivables are measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

For further information on expected credit loss refer Note 1o) – Financial Risk Management.

o) Financial Risk Management:

i) Financial instruments consist mainly of deposits with banks, other receivables, equity investments and trade and other payables.

ii) Financial Risk Management Policies:

The use of financial instruments is governed by policies approved by the Board of Directors. The Directors are responsible for managing treasury requirements.

iii) Financial Risk Exposures:

The main risk the Company is exposed to through its financial instruments are interest rate risk, equity price risk and liquidity risk.

iv) Interest Rate Risk:

Interest rate risk is managed with a mixture of cash at bank and financial assets. The interest receivable on bank deposits can vary depending upon interest rates from time to time. The Company has not used interest rate swaps to hedge its exposure to interest rate risk.

Due to low interest now offered on funds held in the bank for the year, interest of \$207 was earned for year (2020: \$444).

v) Liquidity Risk:

Directors manage cash flow requirements by:

- The Board manages liquidity risk by monitoring cash flows and maintaining sufficient cash to meet operational requirements.
- Containing operating expenses at a level that is commensurate with the Company's level of operations;
- Raising sufficient capital;
- Enhancement of the value of retained assets; and
- Managing cash expended on exploration and evaluation tenements.

As the Company is undertaking exploration programs, the Company may undertake further capital raisings in the future to fund operating and exploration expenditure.

If the Company was unable to raise additional capital, it would be able to defer or reduce its budgeted exploration expenditure such that the Company would remain a going concern for at least the period up to 12 months from the date of signing the financial report.

vi) Equity Price Risk:

The Company's exposure to equity price risk is primarily through investments in listed securities. Listed securities are valued at fair value with reference to quoted market price from an active market.

vii) Financial liability maturity analysis:

All liabilities of the current year and comparative year are due to be paid within three months. No liabilities extend beyond this period.

viii) Credit Risk:

Other receivables are represented by GST, prepayments and sundry debtors and there is no expected credit loss to be recognised.

First Au Limited and Controlled Entities

ABN 65 000 332 918

Notes to the Financial Statements For the Year Ended 31 December 2021

The Board monitors credit risk by actively assessing the quality of counterparties. The Company's cash at bank and bank deposits are placed with reputable banks with good credit ratings.

ix) Sensitivity Analysis:

The Directors do not believe that any reasonably possible movement in the interest rate would cause a material impact on the reported result for the year.

The Directors do not believe that any reasonably possible movement in listed investment would cause a material impact on the reported result for the year. A 15% change on fair value of shares of \$408,703 at reporting date would cause an impact of \$61,305 plus or minus.

x) Fair Values:

Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying amounts are equivalent to fair value.

xi) Reclassification of Financial Instruments:

Subsequent to initial recognition re-classification of financial liabilities is not permitted. Financial assets are required to be re-classified between fair value through profit and loss, fair value through other comprehensive income and amortised cost when and only when the Group's business model for managing its financial assets has changed such that its previous model would no longer apply. The Group's business model for listed equity investments changed during the 2020 year when a decision was made by the Directors to trade these securities through a subsidiary company with the result that movements in fair values are now recorded through the profit and loss rather than other comprehensive income.

p) Adoption of New and Revised Accounting Standards:

The Group has adopted all new standards effective 31 December 2021 and there was no impact on the financial position or performance of the Group.

q) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

i) Key Estimates:

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

ii) Key Judgements:

Exploration and Evaluation

The Group capitalises the initial cost in acquiring tenements expenditure relating to exploration and evaluation. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such initial capitalised costs should not be written off since feasibility studies and exploration in such areas may have not yet concluded. All other exploration costs are expensed as incurred.

Share based payments – options

Unquoted Options were granted to key management personnel. The fair value of the options has been calculated using Black-Scholes option pricing model. Judgement has been applied to determine the share price volatility and other inputs to the model. Refer to Note 9 for further information related to share based payments.

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Notes to the Financial Statements For the Year Ended 31 December 2021

	Consolidated Entities 31 Dec 2021 \$	Consolidated Entities 31 Dec 2020 \$
2. Revenue and Expenses:		
The following revenue and expense items are relevant in explaining the financial performance for the year:		
<i>Revenue:</i>		
Fair value movement of listed investment through Profit or Loss	81,481	644,767
Grant from Department of Mines, Industry Regulation and Safety	-	46,447
Interest received - bank accounts	207	444
	<u>81,688</u>	<u>691,658</u>
<i>Expenses:</i>		
Auditing the financial statements	31,850	29,150
Audit - other services	-	-
Depreciation	7,355	2,268
Key management personnel remuneration included in exploration and administration expenses (refer Note 14)	877,397	712,029
<i>Share trading of listed investments:</i>		
Revenue from shares sold	718,107	1,494,959
Cost of shares sold	(521,167)	(747,415)
Fair value movement of listed investment through Profit or Loss	(115,459)	(102,777)
Net fair value movement through Profit or Loss	<u>81,481</u>	<u>644,767</u>

3. Income Tax Expense:		
The prima facie tax on net loss for year is reconciled to income tax as follows:		
Prima facie income tax on net loss for year at 25% (2020 : 26%)	969,664	619,316
Prima facie income tax on Gain (Loss) on fair value investment measured through other comprehensive income for year at 25% (2020 : 26%)	-	(5,076)
Tax effect of:		
Non-allowable items	(71,669)	(32,387)
Benefit of tax losses not recognised	(897,995)	(581,853)
Income tax attributable to the group	<u>-</u>	<u>-</u>

A tax rate of 25% (2020: 26%) has been adopted as the entity is a base rate entity. To be eligible for a rate of 25% the Company must satisfy a section of the Income Tax Act that requires no more than 80% of its assessable income to be classified as base rate passive income.

A deferred tax asset has not been recognised in respect of the carry forward of unused tax losses as at this stage it is not probable that future taxable profits will be derived. Tax losses approximate \$11,623,553 (excluding tax losses for which the similar business test must be passed of \$2,021,300) and capital losses approximate \$2,724,521 as at year end.

	Consolidated Entities 31 Dec 2021 \$	Consolidated Entities 31 Dec 2020 \$
4. Other Receivables:		
Other receivables is represented by GST receivable, prepayments and sundry debtors	178,115	178,069
The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. All other receivables are within initial trade terms.		

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Notes to the Financial Statements For the Year Ended 31 December 2021

	Consolidated Entities 31 Dec 2021 \$	Consolidated Entities 31 Dec 2020 \$
5. Other Financial Asset:		
Shares held for trading in listed investments	408,703	320,508
Shares in listed investments at fair value 31 December 2020	320,508	180,000
Net share movements during the year	203,653	223,761
Plus increase to fair value - investments measured through profit or loss	(115,458)	(102,776)
Less decrease to fair value at 31 December 2021 - investment measured through other comprehensive income *	-	19,523
Shares in listed investments at fair value 31 December 2021	408,703	320,508
* Shares subsequently sold		
Fair value measurement is based on Level 1 fair value hierarchy on market value of shares at reporting date.		
6. Exploration and Evaluation:		
Vendor shares at fair value issued to acquire tenements at Gimlet and Talga in Western Australia.	955,974	955,974
20% share in WWI Tambina Gold project. Refer Note 15	60,000	60,000
Deferred consideration shares issued to vendors *	247,000	247,000
Mines of Sterling. Refer Note 12e	60,000	40,000
Vendors shares at fair value and cash issued to acquire tenements held in Victorian Goldfields Pty Ltd and its subsidiary company	414,992	414,992
Fair value of shares to be issued to VicGold Vendors in relation to Milestone One and Two based on recognition and measurement principals that the event will occur resulting in exploration licences being issued for tenements in relation to those milestones. Refer Explanatory Memorandum, Notice of Meeting lodged ASX 10 August 2020	510,000	510,000
Total cost of mining tenement acquisitions	2,247,966	2,227,966
* Deferred consideration shares: 13 million shares issued on satisfaction of a milestone arising from the JORC resource identified at Gimlet. Refer ASX announcement 25 August 2020.		
7. Motor Vehicle		
Exploration vehicles - at cost	125,959	88,291
Accumulated depreciation	(9,622)	(2,268)
Written down value	116,336	86,023
An exploration vehicle was purchased at cost \$37,668 during the year.		

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Notes to the Financial Statements For the Year Ended 31 December 2021

8. Issued Capital and Options:

8a. Movement of Capital, Shares & Options:

	Parent Entity Share Capital	Parent Entity Number of Shares	Parent Entity Number of Options
Balance at 31 December 2019	\$ 10,705,489	298,824,667	287,196,603
Share placement 11 June 2020	747,000	74,700,000	-
Capitalised fees related to capital raise	(28,200)	-	-
Securities Purchase Plan 22 July 2020	280,000	27,999,970	-
Deferred Consideration Shares 25 August 2020	247,000	13,000,000	-
Share placement 6 October 2020	1,553,400	103,559,999	-
Fees paid for share placement	(93,204)	-	-
VicGold Vendors - shares allotted 9 October 2020	340,000	20,000,000	-
Listed options lapsed 15/12/2020	-	-	(273,696,603)
Unlisted Options issued to Directors and Management Team - General Meeting 15 September 2020 ***	-	-	29,000,000
Unlisted Options to Consultant for services rendered 10 November 2020 ***	-	-	1,500,000
Balance at 31 December 2020	13,751,485	538,084,636	44,000,000
Share placement 16 February 2021	1,280,000	75,294,118	-
Fees paid for share placement	(85,500)	-	-
Shares issued for services rendered 23 April 2021*	20,000	1,250,000	-
Options Rights issue 22 February 2021 -Note 9	-	-	462,103,004
Options expired 1 March 2021 **	-	-	(13,500,000)
Unlisted Options issued to CEO 28 July 2021 ***	-	-	5,000,000
Share placement 19 October 2021	1,843,886	153,657,186	76,828,593
Securities Purchase Plan ('SPP') 3 December 2021	187,500	15,625,009	7,812,517
Fees paid for share placement and SPP ****	(132,399)	-	35,000,000
Balance at 31 December 2021	16,864,972	783,910,949	617,244,114

* Shares issued for services rendered. Indicative price per share of \$0.016, being the trading price at which FAU shares closed on 21 April 2021. Refer ASX Announcement Appendix 3B on 22 April 2021.

** Options expired 1 March 2021. Refer ASX Announcement on 2 March 2021.

*** Unlisted options. Refer Note 9.

**** Listed options to Lead Manager. Refer Note 9a.

8b. Earnings (Loss) per ordinary share:

	31 Dec 2021 Cents/share	31 Dec 2020 Cents/share
Basic earnings (loss) per share ('EPS')	(0.59)	(0.76)
Diluted earnings (loss) per share ('EPS')	(0.35)	(0.36)
	No of shares	No of shares
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	662,479,382	313,226,372
Weighted average number of ordinary shares and options used in the calculation of basic diluted EPS	1,121,682,615	667,696,130
	\$	\$
Net loss for the year used in the calculation of basic and diluted earnings per share	(3,878,658)	(2,381,986)

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Notes to the Financial Statements For the Year Ended 31 December 2021

8c. Capital Management:

The Directors control the capital to ensure that the Company can fund its operations and continue as a going concern. There are no externally imposed capital requirements.

The Directors effectively manage the Company's capital by assessing financial risks and adjusting its capital structure in response to changes in these risks and to changes in the market. The strategy adopted by the Board to manage risk and control the capital of the Company since the prior year has been to raise additional capital for the purposes of exploration for gold and base metals.

	Consolidated Entities	Consolidated Entities
	31 Dec 2021	31 Dec 2020
	\$	\$
9. Reserves:		
Share Based Payment Reserve (refer Note 9a)	286,782	95,229
Options Reserve (refer Note 9b)	2,265,515	-
Contingent Consideration Reserve (refer Note 9c)	510,000	510,000
	<u>3,062,297</u>	<u>605,229</u>
9a. Share Based Payment Reserve:		
Opening balance	95,229	72,500
Corporate Adviser fees on 1 million options lapsed 15 December 2020	-	(5,000)
Fair value of unlisted options issued to Directors & Management Team as share based payments	-	25,979
Fair value of unlisted options issued to Consultant as share based payment	-	1,750
Corporate Adviser and Vendor unlisted options lapsed 1 March 2021	(67,500)	-
Fair value of unlisted options issued to Directors & Management Team as share based payments	124,702	-
Fair value of unlisted options issued to Consultant as share based payment	18,509	-
Fair value of unlisted options issued to CEO as share based payments	8,847	-
Listed options to Lead Manager for services in relation to Placement (19 October 2021) and SPP (3 December 2021)	106,995	-
Closing Balance	<u>286,782</u>	<u>95,229</u>

Share based payment reserve represents an expense related to participation in the Employee Security Ownership Plan as measured by the fair value of the options on grant date proportionally allocated over the vesting period. The fair value of the options have been valued by Black-Scholes methodology adopting Commonwealth Government Bond rates at grant date and a volatility of 100%.

Directors and Management Team Options:

29 million options issued to Directors and Management Team on 15 September 2020 expiring 3 years from the issue date valued at \$259,391 by Black-Scholes methodology comprised;

- 7.25 million options exercise price \$0.03 and vesting 18 months from issue date;
- 7.25 million options exercise price \$0.03 and vesting 24 months from issue date;
- 7.25 million options exercise price \$0.035 and vesting 30 months from issue date;
- 7.25 million options exercise price \$0.035 and vesting 30 days prior to expiry date.

	Option value \$
Fair value of options	259,391
Allocations to vesting periods	(25,979)
	(124,702)
Balance of option value for allocation in future periods	<u>108,710</u>

Consultant Options:

1.5 million options issued to a consultant on 10 November 2020 and vesting on that date expiring 2 years from the issue date valued at \$20,259 by Black-Scholes methodology comprised; 500,000 options exercise price \$0.3255; 500,000 options exercise price \$0.04 and 500,000 options exercise price \$0.05.

Valuation allocation: An amount of \$1,750 was allocated to 2020 year and \$18,509 to 2021 year.

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Notes to the Financial Statements For the Year Ended 31 December 2021

9a. Share Based Payment Reserve (Cont'd):

CEO Options:

5 million options issued to the CEO on 3 August 2021 expiring Tranche 1 - 2 years and Tranche 2 - 30 months from the issue date valued at \$25,075 by Black-Scholes methodology comprised;

2.5 million options exercise price \$0.02. vesting 12 months from issue date, expiry date 2 years from issue date;

2.5 million options exercise price \$0.035 vesting 18 months from issue date, expiry date 30 months from issue date.

Valuation allocation: An amount of \$8,847 was allocated to 2021 year leaving \$16,228 to be allocated over the vesting period.

Broker Options:

35 million listed options issued to Broker on 3 December 2021 valued at \$106,995 have the same terms as the existing quoted options (FAUOA) of the Company, being exercise price of \$0.02, expiry date 1 July 2023 which upon exercise entitle the holder to one fully paid ordinary share in the capital of the Company. Broker options have been recognised as a share based payment and expensed to Prospectus costs.

9b. Options Reserve:

Options Reserve represent capital raised of \$2,265,515 after commission paid of \$45,000 by the issue of 462,103,004 options at \$0.005 each, exercise price \$0.02 each and expiry date 1 July 2023. Refer Non-Renounceable Pro-Rata Options Rights Issue announced ASX 18 February 2021 and Supplementary Prospectus announced ASX 15 March 2021.

9c. Contingent Consideration Reserve:

Contingent Consideration Reserve represents fair value of shares to be issued to VicGold Vendors in relation to Milestone One and Two based on recognition and measurement principles that the event will occur resulting in exploration licences being issued for tenements in relation to those milestones. Refer Explanatory Memorandum, Notice of Meeting lodged ASX 10 August 2020 for details of Milestones One and Two.

10. Cash Flow Information:

Reconciliation of cash flows from operations with net loss for the year

	Consolidated Entities 31 Dec 2021 \$	Consolidated Entities 31 Dec 2020 \$
Total Comprehensive Loss for the Year	(3,878,658)	(2,381,986)
Non-cash flows from ordinary activities:		
Shares and options issued in lieu of services rendered	279,053	27,729
Depreciation	7,354	2,268
Loss on fair value investment measured through Profit or Loss	115,456	102,778
Changes in assets and liabilities:		
(Increase)/Decrease in other receivables	46	(116,407)
(Increase)/Decrease in other financial assets	(203,651)	(223,761)
Increase/(Decrease) in trade and other payables	(215,577)	385,087
Net cash used in operating activities	<u>(3,895,977)</u>	<u>(2,204,292)</u>

Significant non-cash items

Deferred consideration shares capitalised to tenements	-	247,000
VicGold vendor shares capitalised to tenements	-	340,000

11. Contingent Liabilities:

The Company is not aware of any contingent liabilities.

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Notes to the Financial Statements For the Year Ended 31 December 2021

12. Capital and Other Commitments:

12a. The Company holds various mining tenements in Western Australia, Gippsland Victoria and South Australia. Due to the nature of the Company's operations in exploring areas of interest within the Mining Tenements held by the Company, it is difficult to forecast the nature or amount of future expenditure. It is a condition of the licence that the Company incur the following minimum level of expenditure in order to retain present interests in Mining Tenements.

Expenditure commitments on Mining Tenements can be reduced by selective relinquishment, compulsory reduction or by renegotiation of expenditure commitments.

	Consolidated Entities 31 Dec 2021	Consolidated Entities 31 Dec 2020
	\$	\$
12b. The approximate minimum level of expenditure requirements are		
Within one year	534,180	368,680
One year or later and no later than five years	3,480,080	2,965,480

12c. Right to earn up to a maximum aggregate 80% joint venture interest by sole funding joint venture expenditure of up to \$500,000 within 3 years from the commencement date of the JV Agreement with West Wits Mining Limited in the Tambina Gold project. Refer Note 15.

12e. A Deed of Option between FAU and Mines of Stirling Pty Ltd was signed 8 July 2020. An option fee of \$20,000 was paid to the Grantor together with finders fees of \$20,000 to other parties.

The term of the Deed are: payment of option fee of \$20,000 on the first anniversary of commencement date. \$20,000 has been paid on the first anniversary of commencement date. A further \$40,000 is due on the second anniversary date during 2022.

Funding commitments under the Deed are: \$50,000 in the 12 months following commencement, a further \$50,000 in the 12 months commencing on the first anniversary date and a further \$50,000 in the 12 months commencing on the second anniversary date subject to FAU exercising its extension rights under the Deed.

13. Related Party Transactions:

Peregrine Corporate Limited ('Peregrine') of which the Chairman, Bryan Frost and Richard Revelins are Directors was appointed to raise additional capital during the year. Peregrine received a commission of \$70,633 (2020 \$93,204). A proportion of these fees received were paid to other AFSL holders who participated in the placement of securities.

Michael Quinert is a Director and Partner in the legal firm, Quinert, Rodda & Associates which received legal fees of \$142,570 (2020 \$91,547) on normal commercial terms.

Richard Revelins received fees of \$158,311 (2020 \$120,000) on normal commercial terms which also covered the establishment of a second board listing in USA.

Gavin England is a shareholder of a company that received fees of \$153,510 (2020 \$193,236) for geological services on normal commercial terms. An Announcement was made to ASX on 22 March 2022 that Dr England had given notice to the Board of his resignation as a Director of the Company effective immediately.

Other payments to Directors are set out in the Remuneration Report which forms part of this Annual Report.

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Notes to the Financial Statements For the Year Ended 31 December 2021

	Consolidated Entities 31 Dec 2021 \$	Consolidated Entities 31 Dec 2020 \$
14. Key Management Personnel Remuneration:		
The following are the details of remuneration:		
Short term benefits	751,150	688,737
Share based payments	120,648	23,292
Post employment benefits	5,599	-
	877,397	712,029

Share based payments represents the expense related to participation in the Employee Security Ownership Plan as measured by the fair value of the options on grant date proportionally allocated over the vesting period.

Refer to the Remuneration Report contained in the Directors Report for details of Remuneration and Equity.

15. Investment in Joint Venture:

On 13 March 2019, FAU announced to the ASX that it had entered into a Joint Venture Agreement (JV Agreement) with West Wits Mining Limited (ASX: WWI) in respect to WWI's Tambina Gold Project in the East Pilbara region of Western Australia.

The main features of the JV:

- Payment of \$60,000 for a 20% share in the JV. Also refer Note 6: Exploration & Evaluation.
- A subscription of \$180,000 for 20,000,000 fully paid ordinary shares at an issue price of \$0.009 (0.9 cents) per share. Also refer Note 5: Financial Assets.

15. Investment in Joint Venture (Cont'd):

- Exclusive right to earn up to a maximum aggregate 80% joint venture interest (JVI) by sole funding joint venture expenditure of up to \$500,000 within 3 years from the commencement date of the JV Agreement.
- FAU assumes part of the obligations of WWI to issue fully paid shares to the Original Tambina Vendors, subject to the satisfaction of certain milestones under the Sale Contract entered into by WWI and the Original Tambina Vendors. FAU may elect to settle its proportional JV interest by allotting shares in WWI or alternatively allotting shares in FAU on a predetermined basis.
- Upon FAU earning an aggregate 80% JVI, the participants will be liable to contribute to JV expenditure in proportion to their respective interests.
- FAU shall be the manager of the JV on and from the formation date and throughout the earning phase.
- FAU must ensure that the Mining Leases remain in good standing.

16. Interests in Subsidiary Companies:

Name	Date Incorporated	Place of Business	Ownership Interest by Group	
			31 Dec 2021	31 Dec 2020
Lions Share Gold Ltd	19 February 2019	Melbourne	100%	100%
LGH Nominees Pty Ltd	27 August 2019	Melbourne	100%	100%
Victorian Goldfields Pty Ltd	15 April 2019	Melbourne	80%	80%
Jacquian Pty Ltd	11 June 2004	Melbourne	80%	80%

Lions Share Gold Ltd did not trade during the year.

LGH Nominees Pty Ltd trades in listed investments.

Victorian Goldfields Pty Ltd and Jacquian Pty Ltd did not trade. These entities hold tenements in East Gippsland upon which FAU is undertaking drilling.

The issued capital of Victorian Goldfields Pty Ltd is \$10 of which the minority interests hold 20%.

First Au Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2021

17. Parent Entity information

17a. Summary financial information

The financial statements for the parent entity show the following aggregate amounts:

	31 Dec 2021	31 Dec 2020
	\$	\$
Statement of Financial Position		
Balance Sheet		
Current assets	3,634,403	2,176,507
Non-current assets	1,439,310	1,388,997
Total assets	5,073,713	3,565,504
Current liabilities	(647,338)	(817,043)
Total liabilities	(647,338)	(817,043)
Net Assets	4,426,375	2,748,461
 Shareholders' equity		
Issued capital	16,864,972	13,751,485
Share based payment reserve	3,062,297	605,229
Accumulated losses	(15,500,894)	(11,608,253)
Total Equity	4,426,375	2,748,461
 Statement of Profit or Loss and Other Comprehensive Income		
Profit or loss for the year	(3,960,141)	(3,026,730)
Other Comprehensive Loss	-	-
Total comprehensive loss for year	(3,960,141)	(3,026,730)

17b. Guarantees entered into by the parent entity

FAU has not entered into any guarantees in the current financial year in relation to the debts of its subsidiaries (2020: nil)

17c. Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2021 or 31 December 2020.

17d. Contractual commitments for the acquisition of property, plant and equipment

At 31 December 2021, FAU had not entered into any contractual commitments for the acquisition of property, plant and equipment (2020: nil), except for a signed agreement as set out in Events After Reporting Date Note 18.

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Notes to the Financial Statements For the Year Ended 31 December 2021

18. Events after the reporting date:

No matters or circumstances, with the exception the matters set out in this section and the ongoing effects of Coronavirus, have arisen since the end of the financial reporting period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Victorian Exploration Licences Granted:

FAU announced to the ASX on 30 March 2022 that four Exploration Licences, EL006975, EL006976, EL006977 and EL007335 had been granted at its VicGold project in East Gippsland, Victoria. Under the terms of the transaction between FAU and the Vendors of Victorian Goldfields Pty Ltd (refer ASX announcement dated 10 August 2020) the Vendors will receive 25,000,000 fully paid ordinary shares on the granting of Exploration Licences, EL006975, EL006976, EL006977.

Dr Gavin England's resignation as a Director:

An Announcement was made to ASX on 22 March 2022 that Dr England had given notice to the Board of his resignation as a Director of the Company effective immediately. It was noted that Dr England would continue to provide consulting services to the Company and its exploration programs on an ad hoc basis.

Talga:

a) Talga Farm-In re-approval at General Meeting of Shareholders:

- i) At a General Meeting of shareholders held 19 February 2021, shareholders approved the Company entering into a farm-in and joint venture with Octava Minerals Limited (previously named 8 Au Limited).
- ii) ASX has advised that FAU will require shareholder to refresh this approval of the Talga farm-in and joint venture agreement.
- iii) A General Meeting of shareholders is being organised for May 2022 to re-approve the Company entering into a farm-in and joint venture with Octava Minerals Limited.
- iv) Refer Announcement to ASX dated 23 March 2022: Update on Talga Project JV and Farm-In.

b) Talga Farm-In and Joint Venture Agreement:

- i) Octava Minerals Limited ("Octava") and First Au Limited ("FAU") entered into a farm-in and joint venture agreement ("Talga Agreement") dated 5 January 2021 under which Octava can earn up to an 80% interest in the tenements forming the Talga Gold and Base Metals Project located in the East Pilbara region of Western Australia ("Talga Project").
- ii) Commencement of the farm-in and joint venture is conditional upon a number of conditions being satisfied, due diligence and required regulatory approvals being obtained.
- iii) The following are conditions precedent:
 - Octava receiving confirmation from the ASX that it will admit Octava to the Official List of the ASX subject to typical administrative and completion conditions.
 - The Tenements not being withdrawn or revoked prior to the completion date (listing on ASX).
 - No event occurring prior to the completion date which adversely affects the rights or interests proposed to be acquired by Octava.
- iv) Octava will acquire a 50.1% undivided and unencumbered interest in the tenements as a tenant in common ("Stage 1 Interest") upon:
 - Octava making a payment on the date upon which all conditions precedent other than there being no material adverse event having been satisfied ("Effective Date") of a maximum of \$180,000, as reimbursement of expenditure incurred by FAU directly in connection with IP survey costs prior to the date of the Talga Agreement, at which time Octava will be deemed to have a 10% interest in the Tenements; and
 - Octava incurring Expenditure of not less than \$300,000 within one (1) year of the Effective Date ("Stage 1 Period"), at which time the interest of Octava in the tenements will increase by 40.1%, from 10% to 50.1%.

18. Events after the reporting date (Cont'd):

- v) If Octava earns the Stage 1 Interest, then Octava will hold a 50.1% interest and FAU will hold a 49.9% interest in the tenements as tenants in common. Subject to satisfaction of the conditions precedent, Octava is committed to incurring the Expenditure required to acquire the Stage 1.
- vi) Subject to Octava earning the Stage 1 Interest, FAU grants Octava the right, but not the obligation, to acquire a further 19.9% undivided and unencumbered interest in the Tenements as a tenant in common ("Stage 2 Interest") by incurring aggregate Expenditure (inclusive of Expenditure incurred in connection with obtaining the Stage 1 Interest) of not less than \$600,000 within two (2) years of the Effective Date ("Stage 2 Period"). Octava may exercise its right to acquire the Stage 2 Interest by giving the Company notice in writing within 21 days from the end of the Stage 1 Period. In the event Octava elects to exercise its right to acquire the Stage 2 Interest, Octava is committed to incurring the Expenditure required to acquire the Stage 2 Interest.
In the event that Octava does not make an election to earn the Stage 2 Interest within 21 days from the end of the Stage 1 Period, the parties will be in a joint venture where Octava will hold a 50.1% interest and the Company will hold a 49.9% interest.
If Octava earns the Stage 2 interest then Octava will hold a 70% interest and the Company will hold a 30% interest in the Tenements as a tenants in common.
- vii) Subject to Octava earning the Stage 2 Interest, FAU grants Octava the right, but not the obligation, to acquire a further 10% undivided and unencumbered interest in the Tenements as a tenant in common ("Stage 3 Interest") by incurring aggregate Expenditure (inclusive of aggregate Expenditure incurred in connection with obtaining the Stage 1 Interest and Stage 2 Interest) of not less than \$900,000 within three (3) years of the Effective Date ("Stage 3 Period"). Octava may exercise its right to acquire the Stage 3 Interest by giving the Company notice in writing within 21 days from the end of the Stage 2 Period. In the event Octava elects to exercise its right to acquire the Stage 3 Interest, Octava is committed to incurring the Expenditure required to acquire the Stage 3 Interest.
In the event that Octava does not make an election to earn the Stage 3 Interest within 21 days from the end of the Stage 2 Period, the parties will be in a joint venture where Octava will hold a 70% interest and the Company will hold a 30% interest.
If Octava earns the Stage 3 interest then Octava will hold a 80% interest and the Company will hold a 20% interest in the Tenements as a tenants in common.
From the point at which Octava earns the Stage 3 Interest, the Company will be free-carried through to a decision to mine in respect of the Talga Project.
- viii) References above to "Expenditure" means all outgoing (including rents, rates, survey fees and other fees and charges under any applicable legislation or otherwise directly connection with the Tenements) and all costs and expenses incurred by or on behalf of Octava in respect of any activity directly connected to the discovery, location and delineation of minerals on the Tenements and any activities which are reasonably incidental thereto including, without limitation, undertaking feasibility studies, drilling, maintaining the Tenements and accessing the land on which the Tenements are located.

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Directors' Declaration

In accordance with a resolution of the Directors of First Au Limited, the Directors of the Company and Consolidated Group declare that:

1. The financial statements and notes set out on pages 37 to 55 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the Company and Consolidated Group.
2. In the Director's opinion, there are reasonable grounds to believe that the Company and Consolidated Group will be able to pay their debts as and when they become due and payable; and
3. The Directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.



Bryan Frost
Executive Chairman and Managing Director
31 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST AU LIMITED

Opinion

We have audited the financial report of First Au Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (i) giving a true and fair view of the Group's consolidated financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(I), "Going Concern" in the financial report which indicates that the Group incurred a net loss of \$3,878,658 for the year ended 31 December 2021. In addition the Group had a net operating cash outflow of \$3,870,697 for the year ended 31 December 2021. As stated in Note 1(I), these events or conditions along with other matters as set forth in note 1(I), including any potential impact of the COVID-19 coronavirus on the Group, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST AU LIMITED (Continued)**

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. We do not provide a separate opinion on these matters. Including the matter described in the Materiality Uncertainty Related to Going Concern, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and Evaluation Expenditure</p> <p>The Group capitalised an amount of exploration and evaluation expenditure with a carrying value of \$20,000 for the year ended 31 December 2021. This represents the costs associated with acquiring mining tenements. Exploration expenditure incurred on mining tenements subsequent to their acquisition has been expensed through the Statement of Profit or Loss and Other Comprehensive Income.</p> <p>The carrying value of exploration and evaluation assets are assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>Exploration and evaluation expenditure is considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance to the Group's financial position; • The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset; 	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest and the exploration programmes planned for those tenements; • For each area of interest, we assessed the Group's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; • We tested the additions to capitalized expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalization requirements of the Group's accounting policy and the requirements of AASB 6; • We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalized expenditure: <ul style="list-style-type: none"> - the licenses for the right to explore expiring in the near future or are not expected to be renewed; - substantive expenditure for further exploration in the specific area is neither budgeted or planned - decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST AU LIMITED (Continued)**

<ul style="list-style-type: none"> The assessment of impairment of exploration and evaluation expenditure includes a number of judgements including whether the group has title and tenure to the licences, will be able to perform ongoing exploration and evaluation expenditure and whether there is sufficient information available for a decision to be made that an area of interest is not commercially viable. During the year the Group determined that there had been no indicators of impairment. 	
<p>Going Concern</p> <p>The Group incurred a net loss of \$3,878,658 for the year ended 31 December 2021 and had net operating cash outflows of \$3,870,697 for the year ended 31 December 2021 which indicates a material uncertainty regarding the application of the going concern basis of accounting.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> We analysed the cash flow projections by evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group's intentions, and past practices; We assessed the planned levels of operating expenditure for consistency of relationships and trends to the Group's historical results, results since year end, and our understanding of the business and economic conditions of the Group; We evaluated the events after reporting date and the impact that such events may have on the Group.

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 Group's Annual Report for the year ended 31 December 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 accordingly we do not express any form of assurance conclusion thereon.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST AU LIMITED (Continued)

Responsibilities of the Directors for the Financial Report

The Directors of the Group 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 Group'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 Group 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.

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST AU LIMITED (Continued)**

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 35 of the Directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of First Au Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Group 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.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd



Rod Hutton
Partner

Hawthorn
31 March 2022

Additional Shareholders Information

1. Corporate Governance Statement:

The Corporate Governance Statement together with Appendix 4G have been separately lodged with ASX. A copy of the Corporate Governance Statement will also be located on the Company's web site: www.firstau.com.

2. Distribution of Equity Securities:

Number of ordinary shareholders in different categories are as follows:

	No. of Share Holders	Share Securities	Shares %	No. of Option Holders	Option Securities	Options %
100,001 and Over	626	756,456,595	96.50%	244	576,261,031	99.06%
10,001 to 100,000	455	25,752,517	3.29%	95	5,458,662	0.94%
5,001 to 10,000	13	92,832	0.01%	1	9,548	0.00%
1,001 to 5,000	163	278,179	0.04%	4	8,936	0.00%
1 to 1,000	1,184	330,826	0.04%	20	5,937	0.00%
Held OTCQB-USA	0	-	-	-	-	-
100,001 and Over	1	1,000,000	0.13%	-	-	-
Total	2,441	783,910,949	100%	364	581,744,114	100%

There were 1,461 holders of less than a marketable parcel of ordinary shares.

Refer to Statement of Changes in Equity and Note 8 to the Financial Statements for further information in relation to expiry dates on options and escrow periods for shares and options.

3. Ordinary Fully Paid Shares: Top 20 Holders (ungrouped) as of 31/12/2021:

		Shares	% Units
1	MR MALIK MOHAMMED EASAH	65,166,667	8.31%
2	TALEX INVESTMENTS PTY LTD	19,200,000	2.45%
3	NOTRE DAME INVESTMENT LIMITED	16,800,001	2.14%
4	CHIFLEY PORTFOLIOS PTY LTD	13,648,648	1.74%
5	DR COLIN ROSE	13,427,060	1.71%
6	QUEENSLAND M M PTY LTD	12,722,407	1.62%
7	DR COLIN ROSE	11,735,000	1.50%
8	MR BLAIR ANSTEY MACDONALD	10,500,000	1.34%
9	ST BARNABAS INVESTMENTS PTY LTD	10,083,333	1.29%
10	MYLONITE PTY LTD	10,000,000	1.28%
11	MRS ANNE MAREE RICHARDSON	9,337,611	1.19%
12	DISCO CAPITAL PTY LTD	9,000,000	1.15%
13	MR LANGTREE ERIC CHRISTOPHER COPPIN	8,472,363	1.08%
14	WFC NOMINEES PTY LTD	8,333,333	1.06%
15	OUTBACK TREES OF AUSTRALIA PTY LTD	8,190,000	1.04%
16	MR VINCENZO BRIZZI & MRS RITA LUCIA BRIZZI	7,500,000	0.96%
17	LIMITS PTY LIMITED	7,466,667	0.95%
18	GREAT SANDY PTY LTD	6,866,383	0.88%
19	PAYZONE PTY LTD	6,733,333	0.86%
20	MR SIMON DE PASS HENRIQUES & MS SIMONE FRANCES PETTIGREW	6,000,000	0.77%
20	PEREGRINE CORPORATE	6,000,000	0.77%
	Total	267,182,806	34.08%
	Held OTCQB-USA	1,000,000	0.13%
	Balance of register	515,728,143	65.79%
	Grand total	783,910,949	100.00%

Refer to Statement of Changes in Equity and Note 9a to the Financial Statements for further information in relation to expiry dates on options and escrow periods for shares and options.

Additional Shareholder Information (Cont'd)

4. Options: Top 20 Holders (ungrouped) as of 31/12/2021:

		Options	% Units
1	MR MALIK MOHAMMED EASAH	50,883,334	8.75%
2	ATLANTIC CAPITAL HOLDINGS PTY	35,000,000	6.02%
3	WFC NOMINEES AUSTRALIA PTY LTD	20,000,000	3.44%
3	PAN ANDEAN CAPITAL PTY LTD	20,000,000	3.44%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,000,000	2.75%
4	CLAYMORE VENTURES LIMITED	16,000,000	2.75%
5	TALEX INVESTMENTS PTY LTD	15,000,000	2.58%
6	N & J MITCHELL HOLDINGS PTY LTD	13,200,000	2.27%
7	MR VINCENZO BRIZZI & MRS RITA LUCIA BRIZZI	11,200,000	1.93%
8	BNP PARIBAS NOMINEES PTY LTD	10,698,552	1.84%
9	GOFFACAN PTY LTD	10,100,000	1.74%
10	CANTORI PTY LTD	10,000,000	1.72%
11	COLLEGE SEARCH PTY LTD	9,156,065	1.57%
12	MR DARREN ANIL NARAYAN NATH	9,000,779	1.55%
13	SHAW AND PARTNERS LIMITED	8,333,333	1.43%
14	ANGKOR IMPERIAL RESOURCES PTY LTD	7,500,000	1.29%
15	MR DANE LAURENCE JAMES MCGREEVY	7,000,000	1.20%
16	ST BARNABAS INVESTMENTS PTY LTD	6,953,822	1.20%
17	ALTOR CAPITAL MANAGEMENT PTY LTD	6,634,760	1.14%
18	SHAYNE BATROS PTY LTD	6,224,336	1.07%
19	QUEENSLAND M M PTY LTD	6,177,926	1.06%
20	TALEX INVESTMENTS PTY LTD	6,000,000	1.03%
20	MR CHRISTOPHER JAMES KINCAID	6,000,000	1.03%
	Total	307,062,907	52.78%
	Balance of register	274,681,207	47.22%
	Grand total	581,744,114	100.00%

Refer to Statement of Changes in Equity and Note 9a to the Financial Statements for further information in relation to expiry dates on options and escrow periods for shares and options. This table of option holders does not include unlisted options of 35,500,000 as detailed in Note 8a.

5. Substantial Shareholders:

Names of substantial shareholders who own 5% of more of the voting shares:

No shareholder has lodged a substantial shareholders notice with the Company. Refer this section for any shareholder who holds greater than 5% or more of the voting shares.

6. Voting rights:

In accordance with the Company's Constitution, voting rights are on a show of hands, one vote for every registered holder and on a poll, one vote for each share held by a registered holder.

First Au Limited

ABN 65 000 332 918

Additional Shareholders Information

Tenement Schedule - as at 31 December 2021

Mining Leases & Exploration Licences:

Tenement #	Tenement name	Title Holder	Tenement Ownership	State	Comments
E26/174	Gimlet	FAU	FAU 100%	WA	
P24/5346	Gimlet	FAU	FAU 100%	WA	
P24/5347	Gimlet	FAU	FAU 100%	WA	
E45/3679	Talga	FAU	FAU 100%	WA	
E45/5595	Razorback	FAU	FAU 100%	WA	
E45/5596	Razorback	FAU	FAU 100%	WA	
E45/3857	Talga	FAU	FAU 100%	WA	
E45/4137	Razorback	FAU	FAU 100%	WA	
E45/5571	Talga Talga	FAU	FAU 100%	WA	
E24/216	White Flag	FAU	FAU 100%	WA	
E24/226	White Flag	FAU	FAU 100%	WA	
E16/542	White Flag	FAU	FAU 100%	WA	
M45/990	Tambina	Tambina Gold	FAU 20%, Tambina Gold 80%	WA	Note 1
M45/991	Tambina	Tambina Gold	FAU 20%, Tambina Gold 80%	WA	Note 1
M45/988	Tambina	Tambina Gold	FAU 20%, Tambina Gold 80%	WA	Note 1
EL006816	Haunted Stream	Jacquian Pty Ltd	FAU 80% Jacquian 20%	VIC	
PL007319	Snow Storm	Mines of Stirling	Mines of Stirling 100%	VIC	Note 2
EL5505	Snow Storm	Mines of Stirling	Mines of Stirling 100%	VIC	Note 2
EL6619	Mabel Creek	FAU	FAU 100%	SA	Note 3
EL6620	Mabel Creek	FAU	FAU 100%	SA	Note 3
EL6627	Mabel Creek	FAU	FAU 100%	SA	Note 3

Note 1: Refer Announcement to the ASX dated 13 March 2019. FAU acquired an initial 20% interest in Tambina's three mining leases on payment of \$60,000 and other conditions set out in the announcement that have now been satisfied. FAU has the exclusive right to earn up to a maximum aggregate 80% joint venture interest by sole funding joint venture expenditure up to \$500,000 within three years from the commencement date.

Note 2: Refer Announcement to the ASX dated 9 July 2020. FAU announced that it had entered into an option agreement with Mines of Stirling Pty Ltd to acquire an 85% interest (diluting to 80%) in granted exploration licence EL5505 and prospecting licence application PL007319 (Snowstorm project).

Note 3. Refer to Announcement to the ASX dated 27th July 2021. FAU announced the granting of Mabel Creek South Australian tenements.