ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

2022

DREADNOUGHT RESOURCES

ABN 840 119 031 864 | ASX : DRE

CORPORATE DIRECTORY

DIRECTORS

Paul Chapman	(Non-executive Chairman)
Dean Tuck	(Managing Director)
Ian Gordon	(Non-executive Director)
Philip Crutchfield	(Non-executive Director)

COMPANY SECRETARY

Jessamyn Lyons

REGISTERED OFFICE

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West Perth WA 6005

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SHARE REGISTRY

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Australia

Telephone: + 61 8 6188 0800

AUDITORS

PKF Perth

Level 5, 35 Havelock Street

West Perth WA 6005

STOCK EXCHANGE

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

ASX Code: DRE

DREADNOUGHT RESOURCES (ASX:DRE) IS A HIGHLY ACTIVE WEST AUSTRALIAN MINERAL EXPLORER FOCUSED ON FINDING THE METALS NEEDED NOW AND IN THE FUTURE.

As a small and dedicated team with more than 50 years experience, we pride ourselves in how we operate, including our established relationships with companies and communities.

Dreadnought currently has three core projects: **Tarraji-Yampi** Cu-Ag-Au-Co, **Mangaroon** Ni-Cu-PGE-REE-Au and the **Central Yilgarn** Project.

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CHAIRMAN'S LETTER

DEAR FELLOW SHAREHOLDER,

We are pleased to present the 2022 Annual Report for Dreadnought Resources Limited ("Dreadnought" or the "Company").

The past year has been another active year for Dreadnought and we have made substantial progress on multiple fronts.

Many view Dreadnought as an overnight success story. The reality is that it has taken about 3,000 nights to get to where we are today. Over those 3,000 nights, we have stuck to a number of basic philosophies:

- put your money where your mouth is.
- drive significant equity returns, that is where the real money is for us and hence our shareholders.
- dominate an area and ensure that our projects are something that others may want to own someday.
- generate a relentless and real news flow, explorers that do well are active and convey regular and meaningful information to investors.
- put your foot on good projects and the funding will come.
- find metal and do not be dissuaded by those that say you should be focused on a particular metal or project.
- manage risk and create option value for shareholders.
- engage good people and remunerate them fairly with plenty of upside to equity success.

NONE OF THIS IS PARTICULARLY ROCKET SCIENCE, IT IS JUST A MATTER OF APPLYING THE RIGOR AND DISCIPLINE TO KEEP GOING WHEN THE WIND MAY BE BLOWING AGAINST YOU.

I always like to remember our milestones and these are shown below:

2014:	Formed the Tarraji Joint Venture
2015:	Acquired Rocky Dam
2017:	Acquired Yampi from Rio Tinto
2017:	Consolidated ground around Tarraji Yampi
2018:	Finalised first ever deeds of access with Department of Defence over YSTA military reserve
2019:	ASX listing and board control
2019:	Acquired Illaara greenstone belt to ensure year-round news flow
2020:	High-grade Au discovery at Metzke's Find
2020:	Mangaroon acquired
2021:	High-grade Cu-Ag-Au-Co discovery at Orion
2021:	FQM Option to Earn-in on Mangaroon Ni-Cu-PGE Project
2022:	Ni-Cu sulphides identified in 9/12 Holes at Mangaroon Ni-Cu-PGE Project
2022:	FQM Exercises Option to commence Earn-in
2022:	High-Grade rare earths discovered at Yin/Sabre

To dominate around Tarraji-Yampi, Mangaroon and Central Yilgarn we have completed 2 joint ventures, 14 acquisitions and 1 divestment.

Since gaining our ASX listing in 2019, we have raised $32.4 million in equity via 11 different raisings and converted those funds into a market capitalisation of ~$350 million. We have also issued 229 market sensitive announcements at a consistent rate of 1.2 per week from listing.

In the year ahead we will continue at a relentless pace. While success breeds its own set of challenges, I can assure shareholders we have a team that is up to the task.

In closing, we would like to thank our stakeholders including traditional owners, local communities, employees, joint venture partners, suppliers and other business partners. We also would take this opportunity to thank our fellow shareholders for your ongoing support.

PAUL CHAPMAN
Non-Executive Chairman

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Dreadnought Resources Limited (referred to hereafter as the Parent Entity, Dreadnought or the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2022.

DIRECTORS

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

Paul Chapman
(Non-executive Chairman)
Appointed 9 April 2019
Dean Tuck
(Managing Director)
Appointed 9 April 2019
Ian Gordon
(Non-executive Director)
Appointed 21 December 2017
Paul Payne
(Non-executive Director)
Appointed 21 December 2017– retired 13 September 2022
Philip Crutchfield
(Non-executive Director)
Appointed 13 September 2022

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were minerals exploration and development. There were no significant changes in the nature of activities of the Group during the year.

DIVIDENDS

No dividends have been declared or paid during the year (2021: Nil).

OPERATING RESULTS AND FINANCIAL POSITION

The net result of operations for the financial year was a loss of $1,433,764 (2021: $1,277,865).

The net assets of the Group have increased by $7,356,437 during the financial year from $12,158,775 at 30 June 2021 to $19,515,212 at 30 June 2022.

REVIEW OF OPERATIONS

Group Overview

The Group is an ASX-listed exploration and development company focussing on acquiring and exploring high-quality projects within the state of Western Australia. The Company's strategy is to discover major deposits on these projects either by itself or in joint venture with major mining companies.

DIRECTORS' REPORT

The highlights and significant changes in state of affairs during the year and to date include:

Mangaroon Ni-Cu-PGE (FQM Earn-In)

- On 30 August 2022**,** First Quantum Minerals Ltd (TSE:FM "First Quantum"), a ~A$20B TSX listed company, exercised its earn-in option over the Mangaroon Ni-Cu-PGE Project. First Quantum funded the option period and can now earn an initial 51% interest by funding $12M of expenditure by 1 March 2026. First Quantum may withdraw at any time during the earn-in phase with 0% interest. First Quantum also paid Dreadnought $150,000 upon the exercise of the option to earn-in.
- Disseminated to net-textured/brecciated magmatic Ni-Cu sulphide (pyrrhotite-chalcopyrite-pentlandite) mineralisation has been intersected in 9 out of the 12 RC holes drilled to date. The drilling covers only ~10% of strike along the ~45km long Money Intrusion, located within the Project.
- The Money Intrusion has been confirmed as having a bladed/funnel shape with mineralisation along both sides of the intrusion, highlighting the potential for massive sulphide mineralisation at depth.

Mangaroon Rare Earths (100%)

Dreadnought made significant progress on the 100% owned rare earths ("REE") at Mangaroon as summarised below:

100% Controlled by Dreadnought
- Mangaroon REE are 100% owned and controlled by Dreadnought.

Genuine Scale Potential Already at Yin and Sabre
- Yin discovery contains 3km of confirmed mineralised strike and remains open along 16kms of strike – initial JORC Resource in December 2022 quarter, extensional drilling over 13km of strike planned.
- Sabre discovery contains ~1km of confirmed mineralised strike and remains open along strike – initial JORC Resource in March 2023 quarter, extensional and infill drilling planned.
- Long term incentives fully triggered at JORC Resource of at least 30Mt @ >1% TREO, 31 December 2024.

Significant, Step-Change, Growth Potential Beyond Yin and Sabre
- Mineralised Y8 REE ironstones confirmed.
- Seven carbonatite targets (C1-C7) may be the regional source of REE.
- Confirmed mineralisation at 22 outcropping targets with another 10 prospective targets requiring further work.
- 100 additional outcropping targets prospective for REE identified.

High-Grade TREO Potential
- Numerous thick, high-grade assays already announced from first drill program at Yin.

High-grade Neodymium and Praseodymium Concentrate Potential
- Yin, like the Yangibana REE project controlled by the ~$550M Hastings Technology Metals Ltd (ASX.HAS), ("Hastings") is a globally unique REE deposit due to the high proportion of neodymium and praseodymium in the total rare earth oxide (NdPr ratio). NdPr values up to ~40%, nearly double the global average.

Positive Metallurgy Results
- Initial metallurgical test work from Yin performed well, achieving a recovery of 92.8% at a concentrate grade of 12.3% Nd2 O3 and an average 40% TREO.
- Yin is predominantly hosted in monazite which is amenable to commercial processing.

Analogous to a Globally Unique, Commercially Viable Development 25kms Away
- Yangibana is Dreadnought's immediate neighbour located only 25km to the northeast of Yin and currently has a JORC Resource of 27.42Mt @ 0.97% TREO with 0.33% Nd_2O_3+Pr_6O_{11}.
- Yangibana is under construction and development with first production planned for 2024.

Global Strategic Imperative Driving Rare Earth Growth & Prices
- Supply chain security and low carbon transition are imperatives against a backdrop of heightened geopolitical tension pushing supply away from China.

DIRECTORS' REPORT

Mangaroon Au, Ni-Cu-PGE, REE (100%)

- Dreadnought continues to consolidate ground around Mangaroon including with the acquisition (subject to completion) of the high-grade Diamonds, Star of Mangaroon, Pritchard Well and Twin Peaks gold mines and surrounding areas that cover major regional structures. The tenements host at least ten historic gold mines.
- Importantly, the tenements are strategically located between Dreadnought's 100% owned rare earths project to the south-east and the First Quantum Minerals Ni-Cu-PGE Earn-in to the north-west.
- The tenements are highly prospective for gold, base metals and rare earths. Highlights include:
    - Historical estimated gold production from the gold mines: ~7,500oz Au @ 34.8g/t Au (Star of Mangaroon) and 5,000oz Au @ 7.9g/t Au (Two Peaks).
    - Shear zones with numerous mineralised 1-10m wide, 20-200m long outcrops containing high-grade gold that remain under explored and undrilled.
    - Rock chip samples along the shear zones of up to 6.9% Cu, 185 g/t Ag, 121 g/t Au and 23% Pb.
    - Despite the attractive geology and encouraging historical exploration results the area has seen limited to no follow up drilling.

Tarraji-Yampi Cu-Ag-Au-Co ("Tarraji-Yampi")

The high-grade Cu-Ag-Au-Co-Zn Orion discovery was made in 2021. The 2022 auger sampling program "fingerprinted" Orion and applied that knowledge across other under cover areas at Tarraji-Yampi. Pleasingly, nine high-quality Orion look a likes were identified, including six new gossanous and mineralised outcrops, from the auger program completed in April-June 2022.

Significant outcropping mineralisation associated with auger anomalism was identified at the new Thunderer and Vanguard prospects with results including:

- KMRK0289: 37% Cu, 163g/t Ag, 1.0g/t Au, 0.03% Co
- KMRK0290: 39.4% Cu, 165g/t Ag, 1.6g/t Au, 0.02% Co
- KMRK0291: 14% Cu, 17g/t Ag, 0.6 g/t Au, 0.10% Co
- KMRK0295: 12.9% Cu, 51.5 g/t Ag, 0.02% Co, 0.1% Zn

Based on this success, a decision was made to expand the program with two auger rigs. It is expected further drill targets will be defined as part of the expanded program. As a consequence, drilling at Tarraji-Yampi was deferred until the 2023 field season. Accordingly, auger generated targets will be prioritised to best position Dreadnought for drilling success. Geophysical surveys will be undertaken in March/April 2023 to define what is expected to be a robust pipeline of drill targets for 2023.

Central Yilgarn Gold, Base Metals, Critical Minerals and Iron Ore Project ("Central Yilgarn")

Dreadnought continues to consolidate ground around Central Yilgarn including with the acquisition of seven tenements covering ~100 strike kilometres over the Evanston and Yerilgee greenstone belts (~740sq kms) west of and adjacent to the Illaara greenstone belt.

Since 2016, the previous owner undertook first-pass, gold exploration, resulting in numerous significant results including:

- T1 Prospect: 15m @ 1.5 g/t Au including 3m @ 6.7g/t Au from 12m*
- T2 Prospect: 21m @ 1.1g/t Au including 3m @ 2.3g/t Au from 63m*
- Phil's Lode Prospect: 24m @ 1.6g/t Au including 9m @ 3.3g/t Au from 12m*
- Snowflake Prospect: 16m @ 1.9 g/t Au including 4m @ 8.5g/t Au from 0m*
- Megatron Prospect: 9m @ 2.6 g/t Au including 3m @ 7.1 g/t Au from 26m*

**see ASX release dated 1 August 2022 for references to the previous AMD announcements outlining these results.*

The gold prospects have had limited to no follow up drilling. Other commodities such as iron ore, LCT pegmatites and komatiite hosted nickel sulphides have received limited attention. A Senior Exploration Geologist (Leah Dawson) who is familiar with the project and the team, was recruited to focus exclusively on the Central Yilgarn Project.

Subsequent to 30 June 2022, Dreadnought exercised its option to acquire 100% ownership of tenements E29/965 and E30/485. These tenements cover parts of the Kings and P1 iron ore occurrences including significant magnetite banded iron formations, the Central Komatiite belt, currently under assessment for nickel sulphides, the eastern extensions of the

DIRECTORS' REPORT

Peggy Sue pegmatite field as well as several VMS and gold prospects many with samples awaiting assay. This exercise provided 100% ownership over the highly prospective, 75km long, Illaara Greenstone Belt.

At the date of this report outstanding matters in relation to Central Yilgarn include:

- Assays from Peggy Sue pegmatite sampling
- Assays from RC drilling at Nelson, Trafalgar, Metzke's Find, Spitfire
- Results from Central Komatiite Belt target generation work
- Initial JORC Resource for Metzke's Find Au (Central Yilgarn).

Corporate Highlights to 30 June 2022:

- On 23 July 2021, the Convertible Loan Note holders elected to convert their notes into 109,090,909 fully paid ordinary shares thereby reducing debt by $600,000 to nil.

In relation to employee options, the following activities occurred:

- On 2 July 2021, the Company granted 11,500,000 options via the Dreadnought Employee Option Plan ("Plan") to the current employees and the company secretary of the Company. The options have a $0.04 exercise price and an expiry date of 2 July 2024.
- In July and August 2021, employees of the Company exercised 20,000,000 options for a total of $180,000.
- On 31 August 2021, the Company issued 2,000,000 options via the Plan to an employee of the Company. The options have a $0.06 exercise price and an expiry date of 11 August 2024.
- On 2 December 2021, employees of the Company exercised 2,000,000 options for a total of $27,500.
- On 31 January 2022, an employee of the Company opted to early exercise 1,500,000 options for a total of $15,000.
- On 30 November 2021, the Company issued a total of 7,000,000 options to an employee and Managing Director of the Company. The 2,000,000 options granted to an employee have an exercise price of $0.06 and an expiry of 26 November 2024 while the 5,000,000 options granted to the Managing Director have an exercise price of $0.04 and expiry of 2 July 2024.

In relation to share placements, the following activities occurred:

- In September 2021, the Company completed a placement at $0.035 per share to institutional and sophisticated investors raising $7,910,000 (before costs). Directors contributed a further $90,000 to the placement as approved by shareholders at the AGM held on 24 November 2021. In addition to their participation in the placement, the Directors exercised 8,479,452 options for a total amount of $68,699.

The Company made the following acquisitions during the year:

- On 14 October 2021, the Company acquired tenement E09/2359 at the Company's Mangaroon Project. 750,000 shares were issued as a result of this acquisition.

On 29 April 2022, the Group was awarded a total of up to $400,000 in drilling grants via the WA Government's co-funded Exploration Incentive Scheme for the Mangaroon REE and Tarraji-Yampi Cu-Ag-Au-Co projects.

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to 30 June 2022, the following significant events were undertaken by the Group:

- On 7 July 2022, the Group exercised its option to acquire 100% ownership of E29/965 and E30/485 within the Central Yilgarn. These tenements cover parts of the Kings and P1 Iron ore occurrences including significant magnetite banded iron formations, the Central Komatiite nickel sulphide belt, the eastern extensions of the Peggy Sue pegmatite field as well as several VMS and gold prospects. The exercise provided 100% ownership over the highly prospective, 75km long, Illaara Greenstone Belt. On 20 July 2022, the Group paid $1,000,000 to an unrelated party to settle the transaction.
- On 9 July 2022, the Group executed a tenement sale and purchase agreement with Arrow Minerals Limited (ASX:AMD) to acquire a 100% interest in seven tenements being E16/495, E30/493, E30/494, E77/2403, E77/2416, E77/2432, E77/2634). The key commercial terms included:
    - AMD to receive a $20,000 cash payment upon signing of the agreement. This was paid on 11 July 2022.
    - AMD to receive $280,000 cash payment at settlement. This was paid on 1 August 2022.
    - The Group to issue AMD 2,350,000 fully paid ordinary shares escrowed until 31 January 2023. These shares were issued 1 August 2022.
    - AMD to receive a further cash payment of $300,000 by 30 November 2022.
    - On the identification and reporting of JORC compliant inferred mineral resource of >500,000oz gold equivalent the Group will pay AMD $1,000,000.
    - AMD to retain a total 1% Net Smelter Return royalty in relation to minerals mined by or on behalf of the Company on the tenements.
- On 15 July 2022, the Group issued 8,500,000 unlisted options to its employees and company secretary. These options have an exercise price of $0.065 and expire on 14 July 2025. The options vest on 14 July 2023.
- In August 2022, the Group completed a placement at $0.06 per share to institutional and sophisticated investors raising $12,000,000 (before costs). Directors contributed a further $350,000 to the placement, to be approved by shareholders at the AGM to be held in November 2022.
- On 17 August 2022, the Board resolved to create a Long-Term Incentive scheme under which employees and, subject to shareholder approval, directors, may receive performance rights representing the right to subscribe for one fully paid ordinary Dreadnought share. The objectives of setting these LTIs in the remuneration review included:
    - Ensuring employee/director alignment and retention;
    - Creating long term shareholder value by setting significant targets that will have a material, beneficial impact on Dreadnought's enterprise value; and
    - Ensuring that Dreadnought remains a preferred employer of choice in being able to attract and retain professionals in a highly competitive market.

The Board of Directors approved LTI scheme involves the issue of performance rights, with each performance right representing the right to subscribe for one fully paid ordinary Dreadnought share, to employees and directors. A LTI Plan will govern the terms of the performance rights. The adoption of the LTI Plan for the purposes of Listing Rule 7.2 Exception 13 will be subject to shareholder approval at the 2022 Annual General Meeting as will the issue of performance rights to directors. The essential terms of the LTIs are as follows:

The LTIs are divided into three equal tranches. Each tranche will vest upon the Company announcing, during the vesting period, a JORC 2012 Mineral Resource ("Resource") of Total Rare Earth Oxide ("TREO") as follows:

- Tranche 1: A Resource of at least the inferred category of 10Mt @ > 1% TREO by 31 December 2022.
- Tranche 2: A Resource of at least the inferred category of 20Mt @ > 1% TREO by 31 December 2023.
- Tranche 3: A Resource of at least the inferred category of 30Mt @ > 1% TREO by 31 December 2024.

Vesting of the performance rights will also be conditional on the holder remaining an employee or director as at the date the vesting condition is satisfied (subject to the exercise of any discretion by the Board to waive a vesting condition or to allow an employee or director who retires in certain circumstances to retain their performance rights as provided for by the rules of LTI Plan).

DIRECTORS' REPORT

Quantity of Performance Rights:
The total number of performance rights proposed to be issued as LTIs across the three tranches has been determined by the Board as 29,200,000 with 7,700,000 issued to the directors and 21,500,000 to employees.

The Company will seek shareholder approval at the 2022 Annual General Meeting for the issue of the performance rights to each director in accordance with ASX Listing Rule 10.14 and Chapter 2E of the Corporations Act 2001.

- As announced on 30 August 2022, First Quantum, a ~A$20B TSX listed company, exercised its earn-in option over the Mangaroon Ni-Cu-PGE Project. First Quantum has funded the option period and can now earn an initial 51% interest by funding $12M of expenditure by 1 March 2026. First Quantum may withdraw at any time during the earn-in phase with 0% interest. First Quantum also paid Dreadnought $150,000 as a consequence. The key terms of the earn-in and Joint Venture Agreement include:
    - The Agreement covers the base metal rights over five tenements being E09/2384, E09/2473, E09/2433, E08/3178 and E08/3274.
    - First Quantum can earn an initial 51% interest by sole funding $12M of expenditure by 1 March 2026. First Quantum may withdraw from the project at any time during the earn-in phase with 0% interest.
    - Upon satisfying the earn-in requirements, a Joint Venture will be formed where First Quantum may elect to increase its interest to 70% by sole funding expenditure up until a Decision to Mine. If First Quantum elects to cease funding expenditure, it will revert to a 49% interest.
    - Once a Decision to Mine has been made, Dreadnought can elect to either:
        - Maintain its 30% by co-contributing.
        - Dilute to 20% and be loan carried by First Quantum, repaid through revenue.
        - Divest its 30% interest to First Quantum at fair market value.

- On 2 September 2022, the Company appointed PKF Perth to perform the audit function of the Company. PKF Perth's appointment is effective until the next Annual General Meeting of the Company. In accordance with section 327C of the Corporations Act 2001, a resolution will be put to shareholders at the 2022 Annual General Meeting to appoint PKF Perth as the Company auditor. In accordance with subsection 329(5) of the Corporations Act and having received the consent of the Australian Securities and Investment Commission (ASIC), Nexia Perth Audit Services Pty Ltd has resigned as Auditor of the Company.

- On 12 September 2022, subject to completion, the Group announced the acquisition of 100% interest in 5 tenements covering 77 kms^2 of major regional structures. The tenements host at least ten historic gold mines including the high-grade Star of Mangaroon, Pritchard Well and Twin Peaks gold mines. The tenements are strategically located between the Group's 100% owned rare earths project to the south-east and the First Quantum Ni-Cu-PGE Earn-in to the north-west.

  The key commercial terms with the unrelated party vendors (subject to completion) are outlined below.

  1. Key commercial terms to acquire 100% of E09/2290, M09/146, M09/147 and M09/175 include:
      a. Dreadnought to own 100% upon Completion;
      b. Dreadnought to pay $50,000 upon signing the Sale & Purchase Agreement (paid);
      c. Dreadnought to pay $250,000 at Completion;
      d. Vendors to receive 20,000,000 fully paid ordinary shares at Completion;
      e. 1% gross royalty payable on E09/2290, M09/146 and M09/147; and
      f. 0.5% gross royalty payable on M09/175.
  2. Key commercial terms to acquire 100% of M09/174 include:
      a. Dreadnought to own 100% upon Completion;
      b. Dreadnought to pay $25,000 upon signing the Sale & Purchase Agreement (paid);
      c. Dreadnought to pay $50,000 at Completion;
      d. Vendor to receive 1,000,000 fully paid ordinary shares at Completion; and
      e. 0.5% gross royalty payable.

DIRECTORS' REPORT

Completion is expected to occur in November 2022. The proposed issue of 21,000,000 fully paid ordinary shares as part of the consideration for the acquisition of the tenements above are expected to be issued on 2 December 2022.

- As announced on 14 September 2022, Philip Crutchfield KC has been appointed as a non-executive director of Dreadnought effective 13 September 2022. In addition, after 5 years on the Board, Paul Payne decided to step down as a non-executive director of Dreadnought effective 13 September 2022. Paul played a pivotal role in the acquisition of the Tarraji-Yampi Project in 2019 and also in the transformation of Dreadnought from a struggling junior resource company to the successful organisation that it is today. Paul's advice, guidance and contribution to the Company especially during some challenging times is appreciated. Paul will continue to provide a number of consulting services to Dreadnought including an initial JORC Resource on the Metzke's Find gold deposit at the Central Yilgarn Project in the December 2022 quarter.

- On 15 September 2022, Dreadnought issued 1,500,000 ordinary fully paid shares as a result of an early exercise of options by an employee. The options were exercisable at any time until 2 July 2024 at an exercise price of $0.04 per option. The amount raised on the exercise of the options was $60,000. Dreadnought has relied on Section 708A of the Corporations Act 2001 (Cth) in relation to the issue of shares.

Other than the events detailed above, there has not arisen in the interval between 1 July 2022 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGY

The Group is focused on delivering significant shareholder returns through the discovery of economic mineral deposits in the tier one jurisdiction of Western Australia.

The Group will achieve these goals by:

- Identifying projects with significant unrealised potential.
- Focusing technical effort and financial investment to effectively and efficiently generate and drill exciting, mineralised targets.
- Maintaining low overheads and keeping the market well informed through continuous activity and news flow.

DIRECTORS' REPORT

ASX Listing Rules Compliance

In preparing the Annual Report for the period ended 30 June 2022, the Company has relied on the following ASX announcements.

ASX Announcement	15/09/2022	Cleansing Statement – Early Exercise of Options
ASX Announcement	15/09/2022	Application for quotation of securities - DRE
ASX Announcement	14/09/2022	Initial Director's Interest Notice - Philip Crutchfield
ASX Announcement	14/09/2022	Final Director's Interest Notice – Paul Payne
ASX Announcement	14/09/2022	Board Changes
ASX Announcement	12/09/2022	Proposed issue of securities - DRE
ASX Announcement	12/09/2022	Star of Mangaroon Acquisition & Consolidation
ASX Announcement	09/09/2022	Investor Webinar Presentation Recording
ASX Announcement	08/09/2022	New World Metals Conference Presentation
ASX Announcement	06/09/2022	Investor Webinar Presentation
ASX Announcement	05/09/2022	Thick Rare Earth Ironstones Confirmed at Sabre(Y3) Discovery
ASX Announcement	05/09/2022	Further Assays Confirm Yin as Significant REE Discovery
ASX Announcement	02/09/2022	Change of Auditor
ASX Announcement	02/09/2022	Investor Webinar
ASX Announcement	01/09/2022	Trading Halt
ASX Announcement	30/08/2022	Mangaroon Ni-Cu-PGE Project Advances to $12m Earn-in
ASX Announcement	22/08/2022	Yin Drilling Complete, Significant Growth Potential
ASX Announcement	17/08/2022	Long-Term Incentives on Delivery of Significant REE Resource
ASX Announcement	15/08/2022	Nine Orion Look-alikes from Auger Program, More to Come
ASX Announcement	10/08/2022	Diamond Drilling Commenced at Yin Rare Earth Discovery
ASX Announcement	05/08/2022	Application for quotation of securities - DRE
ASX Announcement	05/08/2022	Cleansing Notice - Placement
ASX Announcement	02/08/2022	AMD: Completion of Sale of Strickland Copper Gold Project WA
ASX Announcement	01/08/2022	Cleansing Notice
ASX Announcement	01/08/2022	Application for quotation of securities - DRE
ASX Announcement	01/08/2022	Completion of Acquisition – Central Yilgarn Project
ASX Announcement	01/08/2022	Proposed issue of securities - DRE
ASX Announcement	01/08/2022	Proposed issue of securities - DRE
ASX Announcement	01/08/2022	Capital Raise to Accelerate Large Scale Rare Earth Discovery
ASX Announcement	29/07/2022	Corporate Presentation – July 2022
ASX Announcement	29/07/2022	Trading Halt
ASX Announcement	29/07/2022	Quarterly Cashflow Report – June 2022
ASX Announcement	29/07/2022	Quarterly Activities Report – June 2022
ASX Announcement	28/07/2022	Assays Confirm Yin as a High-Grade Rare Earth Discovery
ASX Announcement	25/07/2022	Rare Earth Ironstones Confirmed Over 3km of Stike at Yn
ASX Announcement	15/07/2022	Proposed issue of securities - DRE
ASX Announcement	15/07/2022	Notification regarding unquoted securities - DRE
ASX Announcement	13/07/2022	AMD: Divestment of Strickland Gold Project WA
ASX Announcement	11/07/2022	Significant Regional Consolidation – Central Yilgarn Project
ASX Announcement	07/07/2022	Exercise of Option Consolidates Ownership of Illaara
ASX Announcement	23/06/2022	Gold Coast Investment Showcase Presentation
ASX Announcement	22/06/2022	Orion Auger Program – Tarraji-Yampi Project
ASX Announcement	17/06/2022	Further Gold Consolidation – Mangaroon Project
ASX Announcement	16/06/2022	First Drilling at Yin Intersects High-Grade Rare Earths
ASX Announcement	14/06/2022	Trading Halt
ASX Announcement	10/06/2022	Drilling Successfully Completed at Mangaroon Project
ASX Announcement	30/05/2022	Change of Director's Interest Notice – Paul Payne
ASX Announcement	16/05/2022	Drilling Intersects Magmatic Ni-Cu Sulphides at Mangaroon

DIRECTORS' REPORT

ASX Announcement	11/05/2022	Drilling Commenced at Mangaroon Project
ASX Announcement	09/05/2022	Drilling Complete at Illaara Project
ASX Announcement	03/05/2022	RIU Sydney Resources Round-Up Presentation
ASX Announcement	29/04/2022	EIS Drilling Grants for Magaroon REE and Orion Cu-Ag-Au-Co
ASX Announcement	29/04/2022	Quarterly Activities Report – March 2022
ASX Announcement	29/04/2022	Quarterly Cashflow Report – March 2022
ASX Announcement	19/04/2022	Commencement of Regional Auger Program – Tarrai-Yampi
ASX Announcement	04/04/2022	Nelson and Trafalgar Drilling Update – Illaara Project
ASX Announcement	16/03/2022	Half Yearly Report and Accounts
ASX Announcement	02/03/2022	Drilling Commenced at Illaara Project
ASX Announcement	16/02/2022	RIU Explorers Conference Presentation
ASX Announcement	15/02/2022	Eight Conductors to be Drilled at Nelson and Trafalgar
ASX Announcement	14/02/2022	Conductors Defined Along the Money Intrusion - Mangaroon
ASX Announcement	01/02/2022	Mangaroon Rare Earths, Phosphate, Niobium & Zirconium
ASX Announcement	31/01/2022	Early Exercise of Options – Cleansing Notice
ASX Announcement	31/01/2022	Application for quotation of securities - DRE
ASX Announcement	31/01/2022	December 2021 Quarterly Presentation
ASX Announcement	31/01/2022	Quarterly Cashflow Report – December 2021
ASX Announcement	31/01/2022	Quarterly Activities Report – December 2021
ASX Announcement	28/01/2022	2022 Activities Update
ASX Announcement	04/01/2022	Change of Address
ASX Announcement	08/12/2021	Further High-Grade Cu-Ag-Au-Co-Zn from Orion Discovery
ASX Announcement	06/12/2021	Trading Halt
ASX Announcement	03/12/2021	Application for quotation of securities - DRE
ASX Announcement	03/12/2021	Cleansing Notice
ASX Announcement	02/12/2021	RIU Resurgence Conference Presentation
ASX Announcement	01/12/2021	Change of Director's Interest Notice – Paul Payne
ASX Announcement	30/11/2021	Cleansing Notice
ASX Announcement	30/11/2021	Change of Director's Interest Notice – Dean Tuck
ASX Announcement	30/11/2021	Change of Director's Interest Notice – Paul Chapman
ASX Announcement	30/11/2021	Change of Director's Interest Notice – Ian Gordon
ASX Announcement	30/11/2021	Notification regarding unquoted securities - DRE
ASX Announcement	30/11/2021	Notification regarding unquoted securities - DRE
ASX Announcement	30/11/2021	Application for quotation of securities - DRE
ASX Announcement	30/11/2021	Application for quotation of securities - DRE
ASX Announcement	29/11/2021	Five Carbonatite Intrusions Identiofied at Mangaroon Project
ASX Announcement	24/11/2021	Results of Annual General Meeting
ASX Announcement	24/11/2021	Chairman's Address to Shareholders
ASX Announcement	24/11/2021	AGM Presentation
ASX Announcement	15/11/2021	High-Grade Cu-Ag-Au-Co Discovery at Orion
ASX Announcement	12/11/2021	Trading Halt
ASX Announcement	11/11/2021	Noosa Mining Uneartherd Conference Presentation
ASX Announcement	02/11/2021	Supergene Confirmed and Massive Sulphides Extended at Orion
ASX Announcement	29/10/2021	September 2021 Quarterly Presentation
ASX Announcement	29/10/2021	Quarterly Cashflow Report – September 2021
ASX Announcement	29/10/2021	Quarterly Activities Report – September 2021
ASX Announcement	28/10/2021	Proposed issue of securities - DRE
ASX Announcement	28/10/2021	South-West Connect ASX Showcase Presentation
ASX Announcement	25/10/2021	Notice of Annual General Meeting/Proxy Form
ASX Announcement	14/10/2021	Mangaroon Project Exploration Update & Further Consolidation
ASX Announcement	11/10/2021	Massive Sulphides Intersected in Multiple Holes at Orion
ASX Announcement	04/10/2021	Drilling Program Commenced at Tarraji-Yampi Project
ASX Announcement	29/09/2021	Appendix 4G and Corporate Governance Statement 2021

DIRECTORS' REPORT

ASX Announcement	29/09/2021	Annual Report to Shareholders
ASX Announcement	24/09/2021	Airborne Magnetic-Radiometric Survey Commenced at Mangaroon
ASX Announcement	22/09/2021	Change in substantial holding
ASX Announcement	21/09/2021	Cleansing Notice
ASX Announcement	21/09/2021	Application for quotation of securities - DRE
ASX Announcement	20/09/2021	Change of Director's Interest Notice – Paul Chapman
ASX Announcement	16/09/2021	Change of Director's Interest Notice – Dean Tuck
ASX Announcement	14/09/2021	Early Exercise of Options – Cleansing Notice
ASX Announcement	14/09/2021	Application for quotation of securities - DRE
ASX Announcement	14/09/2021	Proposed issue of securities - DRE
ASX Announcement	14/09/2021	Proposed issue of securities - DRE
ASX Announcement	14/09/2021	Dreadnought Resources Fully Funded Following Placement
ASX Announcement	10/09/2021	Trading Halt
ASX Announcement	09/09/2021	New World Metals Conference Presentation
ASX Announcement	09/09/2021	Four New REE Ironstones Discovered at Mangaroon
ASX Announcement	06/09/2021	Junior Minerals Exploration Incentive
ASX Announcement	01/09/2021	Change of Director's Interest Notice – Paul Payne
ASX Announcement	01/09/2021	Notification regarding unquoted securities - DRE
ASX Announcement	01/09/2021	Encouraging Results for Rare Earths at Yin
ASX Announcement	31/08/2021	Texas Diamond Drilling Update – Tarraji Yampi
ASX Announcement	27/08/2021	Bonanza Grade Cu-Ag-Sb-Bi Mineralisation at Rough Triangle
ASX Announcement	25/08/2021	Large Cu-Au-Ag-Co System at Orion, Grant's Find and Fuso
ASX Announcement	04/08/2021	Application for quotation of securities - DRE
ASX Announcement	04/08/2021	Early Exercise of Options – Cleansing Notice
ASX Announcement	30/07/2021	June 2021 Quarterly Presentation
ASX Announcement	30/07/2021	Quarterly Cashflow Report – June 2021
ASX Announcement	30/07/2021	Quarterly Activities Report – June 2021
ASX Announcement	30/07/2021	Significant Mineralisation at Tarraji-Yampi Project
ASX Announcement	26/07/2021	Application for quotation of securities - DRE
ASX Announcement	26/07/2021	Cleansing Notice – Note Conversion
ASX Announcement	19/07/2021	High-Grade REE Ironstones Confirmed Over 2.5kms at Mangaroon
ASX Announcement	16/07/2021	1km Long Gossanous Ni-Cu-PGE Outcrop at Mangaroon
ASX Announcement	12/07/2021	Application for quotation of securities - DRE
ASX Announcement	12/07/2021	Early Exercise of Options – Cleansing Notice
ASX Announcement	08/07/2021	RC Drilling Commenced at Tarraji-Yampi Project
ASX Announcement	07/07/2021	High-Grade Tantalum Results from Peggy Sue – Illaara Project
ASX Announcement	06/07/2021	Employee Option Issues
ASX Announcement	06/07/2021	Notification regarding unquoted securities - DRE
ASX Announcement	06/07/2021	High-Grade Cu-Ag-Sb-Bi Mineralisation at Rough Triangle
ASX Announcement	01/07/2021	Sulphides Intersected within the Ruins Dolerite at Texas

DIRECTORS' REPORT

Compliance Statement
This report contains information extracted from reports cited herein. These are available to view on the website www.dreadnoughtresources.com.au. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Annual Report for the period ended 30 June 2022.

ENVIRONMENTAL REGULATION

The operations of the Group in Australia are subject to environmental regulations under both Commonwealth and State legislation. In the mining industry, many activities are regulated by environmental laws. The Group conducts its operations under the necessary Commonwealth and State Licences and Works Approvals to its activities on its tenements. The Group considers it has complied with all relevant environmental obligations.

INFORMATION ON DIRECTORS

Directors have been in office for the entire period unless otherwise stated.

PAUL CHAPMAN B.Comm, CA, Grad. Dip. Tax, MAICD, MAusIMM
Independent Non-Executive Chairman

Experience and Expertise
Mr Chapman is a company director with over 30 years in the resource sector. Mr Chapman has held senior management roles across a range of commodity businesses and public companies in Australia and the USA. Mr Chapman was a founding director and shareholder of Reliance Mining, Encounter Resources, Rex Minerals, Silver Lake Resources, Black Cat Syndicate and Dreadnought Resources.

Interests in shares and options
311,038,084 shares.

Other current directorships
Mr Chapman is the non-executive chairman of Meeka Minerals Limited (ASX:MEK) (since May 2022).
Mr Chapman is a non-executive chairman of Black Cat Syndicate Limited (ASX:BC8) (since August 2017).
Mr Chapman is a non-executive chairman of Encounter Resources Limited (ASX:ENR) (since October 2005).
Mr Chapman is a non-executive director of Sunshine Gold Limited (ASX:SHN) (since November 2020).

Former directorships in the last 3 years
Avanco Resources.

DIRECTORS’ REPORT

DEAN TUCK B.Sc (Hons), FGAA, MAIG
Managing Director

Experience and expertise
Mr Tuck is an experienced geologist and exploration manager having worked across a wide range of commodities in Australia, Brazil and Southeast Asia from project generation through to resource evaluation. He has held senior level positions at BHP Billiton and ASX listed junior explorers. Mr Tuck has been instrumental in a number of discoveries including the Strickland gold, Mallinda and Mallina LCT pegmatites and Wonmunna iron ore.

Interests in shares and options
20,710,317 shares and 38,500,000 options.

Other current directorships
Mr Tuck is a non-executive director of Caeneus Minerals Limited (ASX:CAD) (since July 2022).

Former directorships in the last 3 years
None.

IAN GORDON B.Comm, MAICD
Non-executive Director

Experience and Expertise
Mr Gordon is a mining executive with extensive experience in transaction generation, project acquisition, mine development and the management of public companies. Mr Gordon was formally an Executive Director and Managing Director of Ramelius Resources Limited for seven years and Managing Director of Flinders Mines Limited for two years. He holds a Bachelor of Commerce degree from Curtin University (WA).

Interests in shares and options
48,175,187 shares.

Other current directorships
Mr Gordon is a director of Woomera Mining Limited (ASX:WML) (since October 2020).

Former directorships in the last 3 years
Mr Gordon resigned as director of ASX listed company Auteco Minerals (ASX:AUT) on 28 January 2020.

PHILIP CRUTCHFILED B. Comm, LLB (Hons), LL.M LSE
Non-executive Director
(Appointed 13 September 2022)

Experience and expertise
Philip is a senior barrister specialising in commercial law. Philip is also a long standing and third largest shareholder in Dreadnought.

Interests in shares and options
67,456,557 shares.

Other current directorships
Philip is also a director of Black Cat Syndicate Limited (ASX:BC8) (since 6 April 2021), Hamelin Gold Limited (ASX:HMG) (since 31 August 2021), Encounter Resources Limited (ASX:ENR) (since 9 October 2019) and Applyflow Limited (ASX:AFW) (since 17 October 2019).

DIRECTORS' REPORT

PAUL PAYNE B.AppSc Grad Dip Min Ec, FAusIMM
Non-executive Director
(Appointed 21 December 207) (Resigned 13 September 2022)

Experience and expertise
Mr Payne is a geologist and holds in excess of 30 years' experience in mining including 10 years independent consulting across a range of commodities and jurisdictions. Mr Payne has extensive technical experience in the evaluation of mineral deposits from early stage exploration to definitive feasibility studies. Recent exploration experience includes implementation and management of gold exploration for Dacian Gold Limited in WA and Rift Valley Resources Limited in Tanzania. Mr Payne has held corporate roles including Technical Director and Managing Director of ASX listed companies including founding Managing Director of Dacian Gold Limited, and was instrumental in the Company's successful IPO and making the major initial gold discovery at its Mount Morgans project.

Interests in shares and options
47,277,781 shares.

Other current directorships
Mr Payne is a director of Carnaby Resources Limited (ASX:CNB) (since July 2016) and a director of Essential Metals Limited (ASX:ESS) (since January 2020).

COMPANY SECRETARY

JESSAMYN LYONS BComm, AGIA ICSA (Grad Dip Applied Corporate Governance)
Appointed 1 July 2020.

Experience and expertise
Ms Lyons is a Chartered Secretary, a Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce from the University of Western Australia with majors in Investment Finance, Corporate Finance and Marketing. Ms Lyons also has 15 years of experience working in the stockbroking and banking industries and has held various positions with Macquarie Bank, UBS Investment Bank (London) and more recently Patersons Securities.

Meetings of directors

The size of the Company does not warrant separate Audit & Risk, Remuneration and Nomination Committees at this time, accordingly the full Board performs comprises these roles. The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2022, and the numbers of meetings attended by each director were as follows:

	Meetings of directors	
	A	**B**
Paul Chapman	6	6
Dean Tuck	6	6
Ian Gordon	6	6
Paul Payne	6	6

A = Number of meetings attended
B = Number of meetings held during the time the director held office during the year and was eligible to attend

Indemnification and insurance of officers

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

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

DIRECTORS' REPORT

Proceedings on behalf of the Group

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

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory duties where the auditors' expertise and experience with the Group are important.

The Board of directors is satisfied that the provision of any such non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants (including Independence Standards)* set by the Accounting Professional and Ethical Standards Board.

There were no fees for non-audit services paid or payable to the external auditors of the Company, their related practices or non-related audit firms during the year ended 30 June 2022.

DREADNOUGHT RESOURCES

DIRECTORS' REPORT

Shares under option

At the date of this report unissued ordinary shares of the Group under option are:

Expiry date	Exercise price	Number of options	Vested	Unvested	Amount paid/payable by recipient ($)
25/05/2023	$0.0060	20,000,000	20,000,000	-	-
30/06/2024	$0.0050	3,500,000	3,500,000	-	-
09/04/2024	$0.0050	30,000,000	22,500,000	7,500,000	-
01/10/2023	$0.0100	2,750,000	1,375,000	1,375,000	-
31/10/2023	$0.0200	750,000	375,000	375,000	-
02/07/2024	$0.0400	16,500,000	8,250,000	8,250,000	-
11/08/2024	$0.0600	2,000,000	1,000,000	1,000,000	
26/11/2024	$0.0600	2,000,000	-	2,000,000	-
14/07/2025	$0.0650	8,500,000	-	8,500,000	

Shares issued during or since year end as a result of exercise of options:

Date granted	Exercise price	Number of shares issued	Date exercise	Amount paid for shares ($)
18/10/2019	$0.0080	10,000,000	12/07/2021	80,000
04/04/2019	$0.0100	10,000,000	04/08/2021	100,000
16/08/2019	$0.0050	3,000,000	13/09/2021	15,000
01/07/2020	$0.0098	5,479,452	13/09/2021	53,699
15/01/2021	$0.0200	750,000	02/12/2021	15,000
02/10/2020	$0.0100	1,250,000	02/12/2021	12,500
02/10/2020	$0.0100	1,500,000	31/01/2022	15,000

DIRECTORS' REPORT

Remuneration report – audited

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

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Share-based compensation

D Shareholdings

E Use of Remuneration Consultants

F Relationship between remuneration and Company performance

G Key Management Personnel Loan

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

A Principles used to determine the nature and amount of remuneration

The Group's policy for determining the nature and amounts of remuneration of board members and senior executive officers of the Group is outlined below.

The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at $300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

Non-executive and executive directors' remuneration is by way of fees and statutory superannuation contributions. The Company's Incentive Options Plan ('Plan") was approved by shareholders on 30 November 2020. Directors are eligible to participate in the Plan.

The Company's remuneration structure is based on a number of factors including the financial position of the Company and the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder wealth, through the retention of high quality personnel.

The Company does not emphasise cash bonus schemes or other incentive based cash payments given the nature of the Company's business as a mineral exploration entity. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual performance in achieving key objectives as considered appropriate by the Board.

The Company's Incentive Option Plan enables the Board to offer eligible employees and directors options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options may be offered to the Company's eligible employees at no cost or no more than nominal monetary consideration unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and value for the Company and to maximise the long term performance of the Company.

DIRECTORS' REPORT

Remuneration report – audited (continued)

Voting and comments made at the Company's 2021 Annual General Meeting

Dreadnought Resources Limited received more than 99% of 'yes' votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B Details of remuneration

This report details the nature and amount of remuneration for each key management person of the Company.

The names and positions held by directors and key management personnel of the Company during the financial year are:

- Mr P Chapman – Chairman, non-executive (appointed 9 April 2019)
- Mr D Tuck – Managing Director (appointed 9 April 2019)
- Mr I Gordon – Director, non-executive (since 21 December 2017)
- Mr P Payne – Director, non-executive (since 21 December 2017)

The remuneration policy of the Group has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options and/or performance rights), executive, business and shareholder objectives are aligned. The Board of Directors ("Board") believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between directors and shareholders.

The remuneration policy and the relevant terms and conditions has been developed by the full Board as the Company does not currently have a Remuneration Committee due to the size of the Company. In determining competitive remuneration rates, the Board reviews trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive remuneration practices.

The Company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and executives are paid market rates associated with individuals in similar positions, within the same industry.

(a) Executive remuneration – Mr D Tuck (appointed 9 April 2019)

Mr Dean Tuck, Managing Director, was employed by the Group in accordance with the terms and conditions outlined within his service agreement dated 9 April 2019. For the year ended 30 June 2022, Mr Tuck received a base salary of $255,750 in short term remuneration (2021: $200,000), with a further $25,575 in post-employment superannuation contributions (2021: $19,000). Both parties may terminate the employment agreement by giving notice of termination to each other on not less than one (1) months' notice in writing.

The Group granted the Managing Director unlisted incentive options as follows:

- On 16 August 2019, 10,500,000 unlisted incentive options exercisable at $0.005 on or before 30 June 2024 vesting immediately, with a fair value of $51,331. 3,000,000 of these options were exercised during the year (2021: 4,000,000).
- On 23 December 2019, 30,000,000 unlisted incentive options with a 5 year term vesting quarterly on an annual basis at the end of every financial year.

Mr Tuck's ability to exercise the 40,500,000 long term incentive options is subject to the following conditions:

- *10,500,000 unlisted incentive options (total expense of $51,332):* vested immediately, may be exercised after grant date and expire on 30 June 2024; and

DIRECTORS' REPORT

- *30,000,000 unlisted incentive options (total expense of $177,184):* 25% may be exercised on or after each of 30 June 2020, 30 June 2021, 30 June 2022 and 30 June 2023, and expire on 9 April 2024.

On 30 November 2021, 5,000,000 unlisted incentive options exercisable at $0.04 on or before 2 July 2024 with a value of $186,900 were granted to the Managing Director. 50% will vest after 12 months from grant date and 50% after 24 months from grant date.

(b) Non-Executive remuneration

The agreements in place during the 2022 financial year with the non-executive chairman, Paul Chapman and the non-executive directors, Ian Gordon and Paul Payne are summarised below:

- Term of agreement is renewed annually
- Fee of $3,000 per month (plus minimum statutory superannuation entitlements) was paid for the 2022 financial year
- No payment of termination benefits
- Annual election in writing to take base fee in options under the Company's Incentive Option Plan

DIRECTORS' REPORT

Remuneration report – audited (continued)

Details of key management personnel remuneration

2022	Short-Term				Post-employment			Long-term	Share-based payments	TOTAL	Total performance related	Options as % of total
	Salary fees	Cash bonus	Non-monetary	Accrued annual leave	Super-annuation	Retirement benefits	Termination benefits	Incentive plans	Options			
	$	$	$	$	$	$	$	$	$	$	%	%
D Tuck	255,750	-	-	19,231	25,575	-	-	-	83,721	384,277	-	22%
P Chapman	36,000	-	-	-	3,600	-	-	-	-	39,600	-	-
I Gordon	36,000	-	-	-	3,600	-	-	-	-	39,600	-	-
P Payne	38,769	-	-	-	3,863	-	-	-	-	42,632	-	-
Total	**366,519**	**-**	**-**	**19,231**	**36,638**	**-**	**-**	-	**83,721**	**506,109**	-	-

2021	Short-Term				Post-employment			Long-term	Share-based payments	TOTAL	Total performance related	Options as % of total
	Salary fees	Cash bonus	Non-monetary	Accrued annual leave	Super-annuation	Retirement benefits	Termination benefits	Incentive plans	Options			
	$	$	$	$	$	$	$	$	$	$	%	%
D Tuck	200,000	-	-	23,167	19,000	-	-	-	-	242,167	-	-
P Chapman	-	-	-	-	-	-	-	-	114,182	114,182	-	100%
I Gordon	36,000	-	-	-	3,420	-	-	-	-	39,420	-	-
P Payne	36,000	-	-	-	3,420	-	-	-	-	39,420	-	-
N Day*	3,992	-	-	-	-	-	-	-	-	3,992	-	-
Total	**275,992**	**-**	**-**	**23,167**	**25,840**	**-**	**-**	-	**114,182**	**439,181**	-	-

*Appointed on 31 July 2019; resigned on 9 July 2020. Mr Day was engaged under a service contract with 133 North Trust to act as Company Secretary and Chief Financial Officer.

DIRECTORS' REPORT

Remuneration report – audited (continued)

C Share-based compensation

Employee Incentive Options Plan

The Company has an Employee Incentive Options Plan approved by shareholders that enables the Board to offer eligible employees and directors options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan.

Options granted as remuneration

Incentive options were granted to key management personnel of the Company during the year. The terms and conditions of each grant of options over ordinary shares affecting remuneration of key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry Date	Exercise Price	Fair value per option at grant date
Dean Tuck	5,000,000	24 November 2021	50% vest after 12 months, 50% vest after 24 months	02 July 2024	$0.04	$0.0374

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Shares issued on exercise of remuneration options

On 13 September 2021, Paul Chapman exercised all of his 5,479,452 options granted as remuneration during the year ended 30 June 2021 for an amount of $53,699. On 13 September 2021, Dean Tuck exercised 3,000,000 options granted as remuneration during the year ended 30 June 2020 for an amount of $15,000.

DIRECTORS' REPORT

Remuneration report – audited (continued)

Directors' interests in shares and options

Directors' relevant interests in shares and options of the Company are disclosed below.

Options

The number of options held by key management personnel of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Options exercised	Net change other	Balance at year end	Total vested 30/06/22	Total exercisable 30/06/22
30 June 2022							
Directors							
P Chapman	5,479,452	-	(5,479,452)	-	-	-	-
I Gordon	-	-	-	-	-	-	-
P Payne	-	-	-	-	-	-	-
D Tuck	36,500,000	5,000,000	(3,000,000)	-	38,500,000	26,000,000	26,000,000
	41,979,452	5,000,000	(8,479,452)	-	38,500,000	26,000,000	26,000,000

D Shareholdings

The number of ordinary shares held by key management personnel of the Group during the financial year is as follows:

	Balance at beginning of year	Participation in Placement during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2022					
Directors					
P Chapman	304,130,061	1,428,571	5,479,452	-	311,038,084
D Tuck	17,710,317	-	3,000,000	-	20,710,317
I Gordon	47,603,758	571,429	-	-	48,175,187
P Payne	46,706,352	571,429	-	-	47,277,781
	416,150,488	2,571,429	8,479,452	-	427,201,369

DIRECTORS' REPORT

D Shareholdings (Continued)

Other transactions with key management personnel and their related parties

Transactions with key management personnel and their related parties recognised during the year (excluding re-imbursement of expenses incurred on behalf of the Company) relating to directors and their director related entities were as follows:

		Consolidated	
Director	**Transaction**	**2022**	**2021**
		$	**$**
P Chapman	Payments to a director related entity for office rental (ie Stone Poneys Nominees Pty Ltd atf Chapman Superannuation Fund). The lease has been terminated effective 31 December 2021.	9,350	11,627

No amounts were owing to related parties as at 30 June 2022 (2021: nil).

E Use of Remuneration Consultants

The Board seeks external remuneration advice as required. No such advice was obtained during the financial year ended 30 June 2022.

F Relationship between remuneration and Company performance

Remuneration for certain individuals is directly linked to the performance of the Group. Details of the earnings and total shareholders return for the last five years. Due to the nature of the Group's principal activities, the Directors assess the performance of the Group with regard to the annual volume weighted share price of the Group's ordinary shares listed on the ASX and the market capitalisation of the Group.

	2022	**2021**	**2020**	**2019**	**2018**
	$	**$**	**$**	**$**	**$**
Operating revenue	398,289	389,814	72,163	3,474	3,993
Net profit/(loss)	(1,433,764)	(1,277,865)	(1,215,539)	(688,822)	(324,155)
Share price at year end	0.0470	0.0240	0.0060	0.0040	0.0050
Annual VWAP	0.0424	0.0184	0.066	0.0042	0.0048

Market capitalisation at year end

Market capitalisation as at 30 June 2022 was $133,528,577.

G Key Management Personnel Loan

There were no loans issued to key management personnel during the financial year (2021: Nil).

Remuneration report ends.

DIRECTORS’ REPORT

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

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

Dean Tuck
Managing Director

Dated 28 September 2022

PKF Perth

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF DREADNOUGHT RESOURCES LIMITED

In relation to our audit of the financial report of Dreadnought Resources Limited for the year ended 30 June 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

28 SEPTEMBER 2022
WEST PERTH,
WESTERN AUSTRALIA

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	Consolidated 30 June 2022 $	30 June 2021 $
Other income	2	398,289	307,314
Gain on fair value of financial asset	11	50,000	-
Grant income		-	82,500
Administration expenses	3	(793,691)	(669,158)
Finance expense	3	(42,312)	(76,477)
Exploration expenditure		(268,852)	(282,247)
Legal fees		(28,912)	(20,191)
Depreciation expense	3	(62,114)	-
Impairment of exploration expenditure	10	(123,715)	(315,169)
Director and employee benefits expense	3	(562,457)	(304,437)
Loss from continuing operations before income tax		**(1,433,764)**	(1,277,865)
Income tax benefit	4	-	-
Loss from continuing operations before income tax		**(1,433,764)**	(1,277,865)
Other comprehensive loss, net of income tax			
Equity instruments at fair value through other comprehensive loss		-	-
Total comprehensive loss for the year		**(1,433,764)**	(1,277,865)

Loss per share for loss attributable to the ordinary equity holders of the Company

	Note	Cents	
Cents			
Basic loss per share (cents)	17	(0.05)	(0.06)
Diluted loss per share (cents)	17	(0.05)	(0.06)

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

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,501,971	2,645,136
Trade and other receivables	7	86,172	157,172
Other assets	8	150,446	334,613
Exploration asset held for sale	10	-	100,000
Financial assets	11	150,000	-
Total Current Assets		**2,888,589**	3,236,921
Non-Current Assets			
Property, plant and equipment	9	291,498	-
Right-of-use-assets	9	198,782	-
Exploration assets	10	17,660,998	10,371,428
Total Non-Current Assets		**18,151,278**	10,371,428
Total Assets		**21,039,867**	13,608,349
LIABILITIES			
Current Liabilities			
Trade and other payables	12	1,222,313	807,641
Provisions		95,023	62,986
Lease liability	13	29,742	-
Total Current Liabilities		**1,347,078**	870,627
Non-Current Liabilities			
Lease liability	13	177,577	-
Other financial liabilities	14	-	578,947
Total Non-Current Liabilities		**177,577**	578,947
Total Liabilities		**1,524,655**	1,449,574
Net Assets		**19,515,212**	12,158,775
EQUITY			
Issued capital	15	60,954,153	52,030,339
Reserves	16	770,418	904,031
Accumulated losses		(42,209,359)	(40,775,595)
Total Equity		**19,515,212**	12,158,775

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

	Issued Capital	Attributable to shareholders Dreadnought Resources Limited Accumulated Losses	Equity Reserve	Options Reserve	Total
	$	$	$	$	$
Balance at 1 July 2020	**43,389,962**	**(39,497,730)**	**39,520**	**664,500**	**4,596,252**
Loss for year	-	(1,277,865)	-	-	(1,277,865)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	**-**	**(1,277,865)**	**-**	**-**	**(1,277,865)**
Transactions with owners in their capacity as owners					
Share issues, net of transaction costs (Note 15)	7,987,877	-	-	-	7,987,877
Exercise of options (Note 15)	652,500	-	-	-	652,500
Equity component of the convertible notes	-	-	16,199	-	16,199
Option issues, net of transaction costs and tax (Note 16)	-	-	-	183,812	183,812
Balance at 30 June 2021	**52,030,339**	**(40,775,595)**	**55,719**	**848,312**	**12,158,775**
Balance at 1 July 2021	**52,030,339**	**(40,775,595)**	**55,719**	**848,312**	**12,158,775**
Loss for year	-	(1,433,764)	-	-	(1,433,764)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	**-**	**(1,433,764)**	**-**	**-**	**(1,433,764)**
Transactions with owners in their capacity as owners					
Share issues, net of transaction costs (Note 15)	7,509,657	-	-	-	7,509,657
Conversion of convertible notes	655,719	-	(55,719)	-	600,000
Exercise of options (Note 15)	758,438	-	-	(467,239)	291,199
Option vesting and issues, net of transaction costs and tax (Note 16)	-	-		389,345	389,345
Balance at 30 June 2022	**60,954,153**	**(42,209,359)**	**-**	**770,418**	**19,515,212**

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

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	Consolidated 30 June 2022 $	30 June 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(1,262,281)	(704,365)
Interest received		5,167	4,035
Interest and other costs of finance paid		(5,945)	(60,278)
Receipts from JV Partner		502,169	203,279
Government grants		-	100,973
Net cash used in operating activities	26	**(760,890)**	(456,356)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for exploration assets		(6,794,242)	(6,002,235)
Payment for property, plant and equipment		(325,215)	(749)
Net cash used in investing activities		**(7,119,457)**	(6,002,984)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		8,000,000	8,535,998
Capital raising costs		(518,843)	(548,121)
Exercise of options		291,199	652,500
Payment of lease liability		(35,174)	-
Net cash provided by financing activities		**7,737,182**	8,640,377
Net increase/(decrease) in cash and cash equivalents held		(143,165)	2,181,037
Cash and cash equivalents at beginning of year		2,645,136	464,099
Cash and cash equivalents at end of financial year		**2,501,971**	2,645,136

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Financial Statements are for the consolidated entity consisting of Dreadnought Resources Limited and its subsidiaries.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Dreadnought Resources Limited is a for profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS
These consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention
These financial statements have been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of financial assets through other comprehensive income.

(iii) Critical accounting estimates
The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

(b) Going concern

The financial statements have been prepared on a going concern basis which assumes the Company and Consolidated Group will have sufficient funds to pay its debts, as and when they become payable, for a period of at least 12 months from the date the financial report is authorised for issue.

As at 30 June 2022, the Consolidated Group had net assets of $19,515,212 (2021: $12,158,775) and a working capital surplus of $1,541,511 (2021: working capital surplus of $2,366,294). Included in non-current liabilities as at 30 June 2021 are Convertible Notes of $578,947 which have been fully converted into ordinary shares in 2022. In addition, during the financial year, the Consolidated Group had cash outflows from operating activities of $760,890 (2021: $456,356) and cash outflows from investing activities (including payments for exploration) of $7,119,457 (2021: 6,002,984).

In August 2022, the Group completed a placement at $0.06 per share to institutional and sophisticated investors raising $12,000,000 (before costs). Directors contributed $350,000 to the placement subject to shareholder approval at the AGM to be held in November 2022.The Group's cash flow forecast out to 30 September 2023 indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

To address the future funding requirements of the Group, the directors have:
- developed a business plan that provides encouragement for investors to invest; and
- continued their focus on maintaining an appropriate level of corporate overheads and projects spending in line with the Group's available cash.

Based on the cash flow forecasts, the directors are satisfied that the going concern basis of preparation is appropriate.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies (continued)

(c) Basis of Consolidation

The Group financial statements consolidate those of the Parent and all of its subsidiaries. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

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

(d) Investments in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint venture entities providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements. Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(e) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated. Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

iv Summary of Significant Accounting Policies (continued)

(f) Income Tax

The tax expense recognised in the profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

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

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Dreadnought Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

iv Summary of Significant Accounting Policies (continued)

(g) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains a lease or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(h) Revenue and other income (including government grants)

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expected to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

Revenue is measured at the transaction price received or receivable (which excludes estimates of variable consideration) allocated to the performance obligation satisfied and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT, GST and other sales related taxes. Where the expected period between transfer of a promised service and payment from the customer is one year or less no adjustment for a financing component is made.

Revenue arising from the provision of services is recognised when and to the extent that the customer simultaneously receives and consumes the benefits of the Group's performance or the Group does not create an asset with an alternative use but has an enforceable right to payment for performance completed to date.

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

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies (continued)

(i) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

(j) Property, Plant and Equipment

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment is measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a reducing balance method from the date that management determine that the asset is available for use. The depreciation rates used for each class of depreciable assets vary from 25% to 40%. Where the asset qualifies for the ATO instant write-off deduction, it is written off in the statement of profit or loss and other comprehensive income.

(k) Financial instruments

Classification and Measurement

Under AASB 9, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Under AASB 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI).

Classification is based on two criteria:

- The Group's business model for managing the assets; and
- Whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

The classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments are amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade and other receivables.

Other financial assets are classified and subsequently measured, as follows:

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments which the Group has irrevocably elected to so classify upon initial recognition or transition.

Impairment

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

Where applicable, in measuring the expected credit losses, the trade receivables are assessed on a collective basis as they possess shared credit risk characteristics. They are grouped based on the days past due.

The expected loss rates are based on the historic payment profile for as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst others is considered indicators of no reasonable expectation of recovery.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies (continued)

(l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(m) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Any bank overdrafts the Group have are shown within borrowings in current liabilities in the consolidated statement of financial position.

(n) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies (continued)

(o) Loss per share

Dreadnought Resources Ltd presents basic and diluted loss per share information for its ordinary shares.

Basic loss per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(q) Share-Based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees and non-employees. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted. This expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

If the Group modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred. In addition, the Group recognises the effect of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee.

(r) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

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

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies (continued)

(s) Reserves

FVOCI reserves represent financial assets at fair value through other comprehensive income reserve. The reserve records fair value change of equity instruments. The equity reserve represents the equity component (conversion rights) on the issue of unsecured convertible notes.

(t) Key estimates and judgments

The preparation of the consolidated financial statements requires management to make estimates and judgments. These estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets as noted in note 1(l). Where an impairment trigger exists, the recoverable amount of the asset is determined.

(ii) Exploration and evaluation

The Group policy for exploration and evaluation is discussed in note 1 (r). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the statement of profit or loss.

(Iii) Compound financial instrument

The Group’s policy for compound financial instrument is discussed in Note 1(k). The fair value of the liability component is determined based on the contractual stream of future cash flows which is discounted at the rate of interest that would apply to an identical financial instrument without the conversion option. The Group uses its judgement to determine the discount rate based on the market interest rates existing at the end of each reporting period.

(iv) Estimation of tax losses carried forward

Potential future income tax benefits attributable to gross tax losses of $43,532,798 (2021: $34,898,311) carried forward have not been brought to account at 30 June 2022 because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. These benefits will only be obtained if:

a. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the losses and deductions to be released;
b. the Group continues to comply with the conditions for deductibility imposed by the law; and
c. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

Tax losses carried forward have no expiry date.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies (continued)

(u) Joint control

The Group's accounting policy for Joint Arrangements is set out in Note 1(d). AASB 11 Joint Arrangements requires an investor to have contractually agreed the sharing of control when making decisions about the relevant activities (in other words requiring the unanimous consent of the parties sharing control). However, what these activities are is a matter of judgement. As at the reporting date 30 June 2022, the Group does not have any Joint Arrangements as defined in this policy. While there are agreements in place with other parties (for the Group's 80% interest in certain tenements which form part of its Tarraji-Yampi project), there is no joint control over decisions about relevant activities required to progress these projects. For the Tarraji-Yampi project, it is the view of the Group that it controls this project through its 80% interest.

(v) Financial report

The financial report was authorised for issue on 28 September 2022 by the Board of Directors.

(w) Adoption of new and revised accounting standards and interpretations

In the year ended 30 June 2022, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2022. As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to the Group's accounting policies.

(x) New accounting standards and interpretations that are not yet mandatory

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

The Group is currently assessing the impact of new accounting standards and amendments. The Group does not believe that the amendments to AASB 101 will have a significant impact on the classification of its liabilities.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

2 Other Income

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Receipts from JV	393,122	203,279
Option fee income (Note 9(v))	-	100,000
Others	5,167	4,035
	398,289	**307,314**

3 Expenses

Administration expenses		
Compliance and regulatory	103,577	119,764
Computer expenses	28,914	47,834
Consulting fees (a)	193,494	243,290
Insurance	29,635	33,665
Seminar/conference	45,719	36,389
Share registry	36,860	55,375
Travel and accommodation	41,633	16,154
Marketing / investor relations	142,165	34,000
Other	171,694	82,687
	796,691	**669,158**
(a) Consulting fees		
Accounting and secretarial services	184,615	196,787
Tenement related	8,879	46,503
	193,494	**243,290**
Director and employee benefit expenses		
Non-executive directors' fees	110,770	66,049
Share-based payment (Note 16 and 27)		
- Directors	83,721	114,182
- Employees	305,624	69,630
Superannuation	11,063	6,533
Other employee benefit	51,279	48,043
	562,457	**304,437**

Salaries and wages recharged to Exploration Assets during the year was $1,074,947 (2021: $641,709).

Finance expense
Of the total balance, $5,010 (2021: $60,000) relates to payment on the convertible loan note interest which was cash in nature. The remaining relates to interest on lease liability of $15,314 (2021: Nil), interest accrued on the convertible loan note of $21,053 (2021: $16,199) and $935 (2021: $278) on interest on insurance premium funding.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

3 Expenses (continued)

	Consolidated	
	30 June 2022 $	30 June 2021 $
Depreciation expense:		
Depreciation of property, plant and equipment	33,717	-
Amortisation of right-of-use assets	28,397	-
	62,114	**-**

4 Income Tax Expense

	Consolidated	
	30 June 2022 $	30 June 2021 $
Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
Income tax expense/(benefit)	- -	-

Reconciliation of income tax to accounting loss:		
Prima facie loss from ordinary activities	(1,433,764)	(1,277,865)
Tax at the Australian tax rate of	25%	26%
Prima facie tax expenses/(income) on ordinary activities	(358,441)	(332,245)
Add:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non assessable income	-	(9,750)
Other non allowable items	6,532	570
Share-based payments	97,336	47,791
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	254,573	293,634
	-	-

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

4 Income Tax Expense (continued)

	Consolidated	
	2022	2021
	$	$
Deferred Income Tax		
Deferred income tax at 30 June relates to the following		
Deferred tax liabilities		
Prepayments	(37,612)	(66,865)
Other financial assets	(12,500)	-
Property, plant and equipment	(122,570)	-
Exploration assets	(4,406,889)	(2,603,803)
Deferred tax assets		
Accruals	88	9,201
Leases	51,830	-
Provision for employee entitlements	23,756	16,376
Section 40-880 expenditure	216,780	223,035
Revenue tax losses	10,910,697	9,027,843
Capital losses	399,331	441,304
Deferred tax assets not brought to account as realisation is not probable	(7,022,911)	(7,047,091)
Deferred tax assets	-	-

A deferred tax liability of $Nil (2021: $Nil) was recognised in equity during the financial year.

A deferred tax asset (DTA) has not been recognised in respect of temporary differences as they do not meet the recognition criteria per AASB 112 *Income Taxes*. A DTA has not been recognised in respect of tax losses as realisation of the benefit is not regarded as probable.

The Group is part of a tax consolidated group in accordance with the tax consolidation legislation. The Group has unrecognised assessed gross tax losses of $43,532,798 (2021: $34,898,311) that are available indefinitely for offset against future taxable profits of the Group subject to satisfaction of the relevant tax losses recoupment tests.

The tax rates applicable to each potential tax benefit are as follows:
Timing differences – 25%;
Tax losses – 25%.

The Group has JMEI credits available from the Australian Taxation Office of $Nil in respect of the year ending 30 June 2023 (2022: $750,000). The JMEI entitles Australian resident investors in eligible minerals exploration companies to obtain either a refundable tax offset or (where the Eligible Investor is a corporate tax entity) franking credits.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

5 Operating Segments

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time are no separately identifiable segments. The principal products and services of this operating segment are the mining and exploration operations predominately in Western Australia.

6 Cash and cash equivalents

	Consolidated	
	30 June 2022 $	30 June 2021 $
Cash at bank and in hand	2,501,971	2,645,136
	2,501,971	**2,645,136**

7 Trade and other receivables

	Consolidated	
	30 June 2022 $	30 June 2021 $
Current:		
Receivable for option fee	-	110,000
GST receivable	84,210	46,163
Other receivables	1,962	1,009
Total current trade and other receivables	**86,172**	**157,172**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

As at 30 June 2022 there were no material trade and other receivables that were considered to be past due or impaired (2021: Nil) and therefore there no expected loss credit provision required.

8 Other current assets

	Consolidated	
	30 June 2022 $	30 June 2021 $
Prepayments	150,446	334,613
Total other assets	**150,446**	**334,613**

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

9 Fixed assets

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Property, plant and equipment:		
Leasehold improvements – at cost	**140,375**	-
Less: Accumulated depreciation	**(8,474)**	-
	131,901	-
Motor vehicles – at cost	**184,840**	-
Less: Accumulated depreciation	**(25,243)**	-
	159,597	-
	291,498	
Right-of-use assets:		
Right of use assets – at cost (see Note 13)	**227,179**	-
Less: Accumulated amortisation	**(28,397)**	-
	198,782	-
Total fixed assets	**490,280**	-

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

	Leasehold improvements $	Motor vehicles $	Right of use assets $	Total $
Balance at 1 July 2021	-	-	-	-
Additions	140,375	184,840	-	325,215
Right of use asset at inception of lease	-	-	227,179	227,179
Depreciation expense	(8,474)	(25,243)	-	(33,717)
Amortisation of right of use asset	-	-	(28,397)	(28,397)
Balance at 30 June 2022	**131,901**	**159,597**	**198,782**	**490,280**

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

10 Exploration and evaluation assets

	Consolidated	
	30 June 2022 $	30 June 2021 $
Current		
Exploration asset held for sale (i)	-	100,000
	-	**100,000**

(i) On 19 June 2021, the Group entered into a binding Terms Sheet to sell its Rocky Dam Gold Project to Lycaon Resources Limited, a then pre-IPO company that listed on the ASX on 17 November 2021. The Group received 500,000 Lycaon shares as consideration plus a 1% net smelter royalty over all minerals extracted from Rocky Dam. The shares were recognised at a cost of $0.20 per share totalling $100,000 based on the sale and purchase agreement.

	30 June 2022 $	30 June 2021 $
Non-Current		
Exploration and evaluation asset	17,660,998	10,371,428
	17,660,998	**10,371,428**

Balance at 1 July 2020	5,104,501
Impairment (iii)	(315,169)
Expenditure incurred	5,582,096
Balance at 30 June 2021	**10,371,428**
Balance at 1 July 2021	10,371,428
Acquisition (i)	58,500
Impairment (ii)	(123,715)
Expenditure incurred	7,354,785
Balance at 30 June 2022	**17,660,998**

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

(i) The Group purchased the license for tenement E09/2359 from an unrelated party by way of cash consideration of $30,000 and 750,000 shares of the Company at an issue price of $0.038 per share.

(ii) The impairment of the exploration assets in 2021/2022 relates to the surrender of tenements during the year.

(iii) The impairment of the exploration assets in 2020/2021 relates to the impairment within the Rocky Dam project as disclosed in (i) above.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

11 Financial assets

	Consolidated	
	30 June 2022 $	30 June 2021 $
Investment in listed entity:		
Fair value at beginning of the year	-	-
Additions at cost	100,000	-
Change in fair value	50,000	-
Fair value at end of the year	**150,000**	-

In June 2021, the Group entered into an agreement to divest tenements in its Rocky Dam projects to Lycaon Resources Ltd, a then pre-IPO company that listed on the ASX on 17 November 2021. The Group received 500,000 Lycaon shares as consideration plus a 1% net smelter royalty over all minerals extracted from Rocky Dam. The shares were recognised at a cost of $0.20 per share totalling $100,000 based on the sale and purchase agreement. As at 30 June 2022, the investment was revalued to reflect the share price of Lycaon as of that date which resulted in a gain in fair value of $50,000. There were no financial assets as at 30 June 2021.

12 Trade and other payables

	Consolidated	
	30 June 2022 $	30 June 2021 $
Trade payables	802,257	739,233
Accrued expenses	381,896	24,574
PAYG and wages payable	37,810	22,443
Superannuation payable	350	21,391
Total trade and other payables	**1,222,313**	**807,641**

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

13 Lease liability

	Consolidated	
	30 June 2022 $	30 June 2021 $
Office space lease:		
Current portion	29,742	-
Noncurrent portion	177,577	-
Total lease liability	**207,319**	-

The lease liability relates to the Company's office space in Unit 1, 4 Burgay Court, Osborne Park, WA 6017 for an initial period of 3 years. The Company has an option to extend the lease for another 3 years.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

14 Other financial liabilities

	Consolidated	
	30 June 2022 $	30 June 2021 $
Convertible notes – liability component – non-current	-	578,947
Total financial liabilities	**-**	**578,947**

The Group received a total amount of $600,000 from issuing Convertible Notes in June 2019. The issue of Convertible Notes was approved by shareholders in August 2019. Each of the Convertible Notes carries a face value of $1.00 with an annual interest rate of 10% and maturity date of 2 July 2021. On 8 April 2021, the maturity date was extended to 1 July 2022. The holder may elect to convert the Convertible Notes into shares at $0.0055 per share. Upon the occurrence of default, the lender may require immediate redemption of all outstanding Convertible Notes together with all interest and other outstanding moneys to be immediately due and payable to the lender. The Convertible Notes were determined to be a compound financial instrument, resulting in a split between liability and equity components (Note 1(k)). The fair value of the liability component is determined based on the contractual future cash flows which is discounted at the rate of interest (14%) that would apply to an identical financial instrument without the conversion option. At 30 June 2021, $55,719 was attributed to equity component.

On 23 July 2021, the Convertible Loan Note holders elected to convert their Convertible Notes into 109,090,909 fully paid ordinary shares thereby reducing the debt to $nil.

15 Issued Capital

	30 June 2022 $	30 June 2021 $
Ordinary shares fully paid	**60,954,153**	**52,030,339**

		No.	$
Date	**At 1 July 2020**	**1,891,680,768**	**43,389,962**
15/07/2020	Options exercised	17,500,000	137,500
05/08/2020	Options exercised	1,000,000	5,000
13/08/2020	Share Placement – Sophisticated and professional investors	170,666,673	1,536,000
20/08/2020	Options exercised	15,000,000	75,000
19/10/2020	Options exercised	10,000,000	100,000
26/10/2020	Options exercised	21,000,000	165,000
30/10/2020	Share Placement – Sophisticated and professional investors	125,000,000	3,500,000
19/11/2020	Options exercised	10,000,000	60,000
07/04/2021	Options exercised	12,000,000	110,000
19/04/2021	Share Placement – Sophisticated and professional investors	166,666,667	3,000,000
06/05/2021	Share Purchase Plan – Eligible shareholders	27,777,653	499,998
	Less: Transaction costs	-	(548,121)
	At 30 June 2021	**2,468,291,761**	**52,030,339**

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

15 Issued capital (continued)

		30 June 2022 No.	30 June 2021 $
	At 1 July 2021	**2,468,291,761**	**52,030,339**
12/07/2021	Options exercised	10,000,000	80,000
23/07/2021	Conversion of Notes	109,090,909	600,000
4/08/2021	Options exercised	10,000,000	100,000
13/09/2021	Options exercised	3,000,000	15,000
13/09/2021	Options exercised	5,479,452	53,699
21/09/2021	Placement	226,000,000	7,910,000
30/11/2021	Issues of shares regarding acquisition	750,000	28,500
30/11/2021	Director Participation in Placement	2,571,429	90,000
30/11/2021	Options exercised	750,000	15,000
2/12/2021	Options exercised	1,250,000	12,500
31/01/2022	Options exercised	1,500,000	15,000
	Exercise of options and conversion of notes	-	522,958
	Less: Transaction costs	-	(518,843)
	At 30 June 2022	**2,838,683,551**	**60,954,153**

Capital Management

Management controls the capital of the Group in order to maintain and generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group is not subject to any externally imposed capital requirements. Management effectively manages the Group capital by assessing the Group financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Group received a total amount of $600,000 from the issue of Convertible Notes. The issue of Convertible Notes was approved by shareholders on 16 August 2019. The Convertible Notes each with a face value of $1.00 bear interest at 10% per annum, have a Conversion Price of $0.0055 and mature on 1 July 2022. On 23 July 2021, the Convertible Loan Note holders elected to convert their notes into 109,090,909 fully paid ordinary shares thereby reducing debt to $nil.

(a) Options

The details of the unlisted options are as follows:

Number	Exercise Price $	Expiry Date
20,000,000	0.0060	25-May-23
3,500,000	0.0050	30-Jun-24
30,000,000	0.0050	9-Apr-24
2,750,000	0.0100	1-Oct-23
750,000	0.0200	31-Oct-23
16,500,000	0.0400	02-Jul-24
2,000,000	0.0600	11-Aug-24
2,000,000	0.0600	26-Nov-24
77,500,000		

Refer Note 16(a) for further information.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

16 Reserves

	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Options reserve (a)	770,418	848,312
Equity reserve (b)	-	55,719
	770,418	**904,031**

(a) Options Reserve

Grant Date		No.	$
Grant Date	**At 1 July 2020**	163,000,000	664,500
04/04/2019	Options exercised – IronRinger Vendor Options	(40,000,000)	-
16/08/2019	Options exercised – Director Options	(26,500,000)	-
25/05/2020	Options exercised – Broker Options	(20,000,000)	-
01/07/2020	Options issued – Chairman Options (1)	5,479,452	114,182
02/10/2020	Options issued – Employee Options (2)	5,500,000	54,779
15/01/2021	Options issued – Employee Options (3)	1,500,000	14,851
	At 30 June 2021	**88,979,452**	**848,312**

		No.	$
Grant Date	**At 1 July 2021**	88,979,452	848,312
02/07/2021	Options issued - employees(4)	11,500,000	168,832
11/08/2021	Options issued - employee(5)	2,000,000	45,525
24/11/2021	Options issued - Managing Director(6)	5,000,000	83.721
29/11/2021	Options issued – employee(6)	2,000,000	30,831
	Options issued in prior years but partly vesting during the current year	-	60,436
	Options exercised during the year	(31,979,452)	-
	Reclassification of exercised options to issued capital	-	(467,239)
	At 30 June 2022	**77,500,000**	**770,418**

1) A term of Paul Chapman's appointment as a director of the Company was that he was entitled to $36,000 plus superannuation in fees for the year ending 30 June 2021 (year ended 30 June 2020 $nil). Paul Chapman elected to receive his remuneration for the financial year ending 30 June 2021 by way of an issue of options. The Board resolved to grant 5,479,452 options to Paul Chapman under the Company's Plan on 1 July 2020, subject to obtaining shareholder approval. Shareholder approval was obtained on 30 November 2020. The options vested in four equal tranches quarterly from 1 July 2020.

2) On 2 October 2020, the Company agreed to issue employees of the Company who are not related parties of the Company, 2,500,000 and 3,000,000 Options respectively under the Plan, subject to obtaining Shareholder approval. Shareholder approval was obtained on 30 November 2020. 50% of the options vest 12 months from grant date and the other 50% vest 24 months from grant date.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

16 Reserves (Continued)

(a) Options Reserve (Continued)

3) On 1 November 2020, the Company agreed to offer an employee of the Company who is not a related party of the Company, 1,500,000 Options under the Plan. 50% of the options vest 12 months from grant date and the other 50% vest 24 months from grant date.
4) On 2 July 2021, the Company granted 11,500,000 options via the Dreadnought Plan to the current employees and the company secretary of the Company. The options have a $0.04 exercise price and an expiry date of 2 July 2024. 50% of the options vest 12 months from grant date and the other 50% vest 24 months from grant date.
5) On 31 August 2021, the Company issued 2,000,000 options via the Plan to an employee of the Company. The options have a $0.06 exercise price and an expiry date of 11 August 2024. 50% of the options vest 12 months from grant date and the other 50% vest 24 months from grant date.
6) On 30 November 2021, the Company issued a total of 7,000,000 options to an employee and the Managing Director of the Company - 2,000,000 options have an exercise price of $0.06 and an expiry of 26 November 2024, while the remaining 5,000,000 options have an exercise price of $0.04 and expiry of 2 July 2024. 50% of each series of options vest 12 months from grant date and the other 50% vest 24 months from grant date.

(b) Equity Reserve

Relates to the equity component of the Convertible Note. Refer to Note 14 for more details. During the year ended 30 June 2022, the reserve was transferred to issued capital upon the conversion of the notes to shares of stock.

17 Loss per share

	Consolidated	
	30 June 2022	**30 June 2021**
	$	**$**
(a) Basic loss per share		
Loss attributable to the ordinary equity holders	(1,433,764)	(1,277,865)
Weighted average number of shares outstanding during the year	2,774,262,376	2,223,544,155
Basic loss per share (cents)	**(0.05)**	**(0.06)**

(b) Dilutive earnings per share
In accordance with AASB 133 Earnings per Share, potential ordinary shares in the form of options and convertible notes are antidilutive when their conversion to ordinary shares decrease loss per share from continuing operations. The calculation of diluted earnings/(losses) per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings/(losses) per share.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

18 Exploration Commitments

	Consolidated	
	30 June 2022 $	30 June 2021 $
Exploration expenditure commitments payable:		
Not later than 12 months	1,929,000	1,048,000
Between 12 months and five years	1,157,760	1,955,000
Later than five years		-
Total exploration tenement minimum expenditure	**3,086,760**	**3,003,000**

The Group can seek deferral of minimum expenditures or relinquish tenements as required.

19 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Group's objectives, policies and processes for managing and measuring these risks. The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The Group does not speculate in financial assets.

Specific risks

- Market risk - currency risk, interest rate risk and equity price risk
- Credit risk
- Liquidity risk

The principal categories of financial instrument used by the Group are:

- Cash at bank
- Trade and other receivables
- Trade and other payables
- Other financial liabilities – convertible notes

Objectives, policies and processes

Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group maintains cash to meet its liquidity requirements for up to 30-day periods. The Group manages its liquidity needs by carefully monitoring long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly. At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

19 Financial Risk Management (continued)

The Group's assets and liabilities have contractual maturities which are summarised below:

	Consolidated			
	Within 1 year		More than 1 year	
	30 June 2022 $	30 June 2021 $	30 June 2022 $	30 June 2021 $
Financial assets				
Cash and cash equivalents	2,501,971	2,645,136	-	-
Trade and other receivables	86,172	157,172	-	-
Investment in listed entity	150,000	-	-	-
	2,738,143	**2,802,308**	**-**	**-**
Financial Liabilities				
Trade and other payables	1,222,313	807,641	-	-
Lease liability	29,742	-	177,577	-
Convertible notes – liability component, at amortised cost	-	-	-	578,947
	1,252,055	**807,641**	**177,577**	**578,947**

Market risk

(i) Foreign currency sensitivity

All of the Group transactions are carried out in Australian Dollars, therefore the Group is not exposed to foreign exchange risk.

(ii) Cash flow interest rate sensitivity

The Group is not exposed to interest rate sensitivity on its financial assets and liabilities during the year ended 30 June 2022.

(iii) Price sensitivity

The Group is not exposed to price sensitivity.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions. Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The long term and short term ratings is AA- and A-1+ respectively (Source: S&P Global Ratings).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

19 Financial Risk Management (continued)

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the consolidated statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

	30 June 2022		30 June 2021	
	Net Carrying Value $	Net Fair value $	Net Carrying Value $	Net Fair value $
Financial assets				
Cash and cash equivalents	2,501,971	2,501,971	2,645,136	2,645,136
Trade and other receivables	86,172	86,172	157,172	157,172
Investment in listed entity	150,000	150,000	-	-
Total financial assets	**2,738,143**	**2,738,143**	**2,802,308**	**2,802,308**
Financial liabilities				
Trade and other payables	1,222,313	1,222,313	807,641	807,641
Lease liability	207,319	207,319	-	-
Convertible notes – liability component	-	-	578,947	578,947
Total financial liabilities	**1,429,632**	**1,429,632**	**1,386,588**	**1,386,588**

20 Dividends

There were no dividends paid during the year (2021: nil).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

21 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Dreadnought Resources Ltd during the year are as follows:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Short-term employee benefits	385,750	299,159
Post-employment benefits	36,638	25,840
Share-based payments	83,721	114,182
Total Remuneration	**505,929**	**439,181**

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the years ended 30 June 2022 and 30 June 2021.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 22: Related Party Transactions.

22 Remuneration of Auditors

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Remuneration of the auditor, for:		
Auditing or reviewing the financial report		
- PKF Perth	18,000	-
- Nexia Perth Pty Ltd (Australia)	11,000	30,000
	29,000	**30,000**

23 Deed of Cross-Guarantee

The Company has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

24 Contingent Liabilities

In December 2019, the Company signed an agreement with an unrelated party, granting the Company an exclusive license and option to acquire 100% interest in tenements E30/485 and E29/965. The Company paid an Initial Option Fee of $100,000 on 12 December 2019. The option term was extended for an additional fifteen (15) months by the Company giving an extension notice to the unrelated party and paying the option extension fee of $100,000. On 7 July 2022, the Company exercised its option and completed the purchase free from all encumbrances for $1 million.

As part of the consideration for the acquisition of tenements E04/2560, E29/1050, E29/957, E29/959, E30/471, E30/476, E08/3178, E08/3274, E08/3275, E09/2359, E09/2370, E09/2384, E09/2433, E09/2448, E09/2449 and E09/2450 from relevant parties, the Company has the obligation to pay royalties, which only become due and payable when and if mining commences.

There were no other material contingent liabilities or contingent assets for the year ended 30 June 2022.

25 Related Parties

The Group's main related parties are as follows:

(i) Key management personnel:
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to the remuneration report in the Directors' Report.

The aggregate amounts recognised during the year (excluding re-imbursement of expenses incurred on behalf of the Company) relating to directors and their director related entities were as follows:

		Consolidated	
Director	**Transaction**	**2022**	**2021**
		$	**$**
P Chapman	Payments to a director related entity for office rental (ie Stone Poneys Nominees Pty Ltd atf Chapman Superannuation Fund). The lease has been terminated effective 31 December 2021.	9,350	11,627

No amounts were outstanding and owing to related parties as at 30 June 2022 (2021: nil).

(ii) Subsidiaries:

The consolidated financial statements include the financial statements of Dreadnought Resources Ltd and the following subsidiaries:

Name of subsidiary	**% ownership interest 2022**	**% ownership interest 2021**
Dreadnought Exploration Pty Ltd (formerly Dreadnought Kimberley Pty Ltd)	100	100
Dreadnought Yilgarn Pty Ltd	100	100

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

26 Cash Flow Information

Reconciliation of result of loss for the year to cashflows from operating activities:

	Consolidated	
	30 June 2022	**30 June 2021**
Reconciliation of net loss to net cash provided by operating activities:	**$**	**$**
Loss for the year	(1,433,764)	(1,277,865)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss:		
- share based payments	389,345	183,812
- net gain on revaluation of investment in listed entity	(50,000)	-
- property, plant and equipment expensed	-	749
- impairment loss on exploration assets	123,715	315,169
- interest on convertible notes	-	16,199
- interest on lease liability	15,314	-
- depreciation expense	33,717	-
- amortisation of ROU asset	28,397	-
- exploration expenditure	-	78,968
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	109,047	(105,779)
- (increase)/decrease in prepayments	(15,091)	243,495
- increase in trade and other payables	38,430	88,896
Cashflow outflow from operations	**(760,890)**	**(456,356)**

Non-cash investing and financing activities

Conversion of notes to shares	**600,000**	-
Non-cash assets acquisition	**28,500**	-

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

27 Share-based Payments

	Number	$	Weighted Average Exercise Price
At 1 July 2021	88,979,452	848,312	$0.04
Options exercised	(31,979,452)	(467,239)	$0.011
Options issued	20,500,000	328,909	$0.03
Options vesting	-	60,436	$0.01
At 30 June 2022	**77,500,000**	**770,418**	**$0.03**

Share-based payments granted during the year:

11,500,000 Employees and Company Secretary Options granted on 2 July 2021.

On 2 July 2021, the Company granted 11,500,000 options via the Plan to employees of the Company who are not related parties of the Company. The exercise price of the options is $0.04 and the options will expire on 2 July 2024. 50% of these options will vest to the employees on 12 months of continued employment and 50% on 24 months of continued employment.

The options were deemed to have a fair value at grant date of $0.0197 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	$0.025
Exercise price	$0.04
Expected volatility	158.33%
Risk free interest rate	0.18%
Useful life	3 years

2,000,000 Employee Options granted on 11 August 2021.

On 11 August 2021, the Company granted an employee of the Company who is not a related party of the Company, 2,000,000 Options under the Plan. The exercise price of the options is $0.06 and the options will expire on 11 August 2024. 50% of these options will vest to the employee on 12 months of continued employment and 50% on 24 months of continued employment.

The options were deemed to have a fair value of $0.0343 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	$0.042
Exercise price	$0.06
Expected volatility	161.46%
Risk free interest rate	0.19%
Useful life	3 years

5,000,000 Managing Director Options granted on 24 November 2021

On 24 November 2021, the Company granted the Managing Director of the Company, 5,000,000 Options under the Plan. The exercise price of the options is $0.04 and the options will expire on 2 July 2024. 50% of these options will vest to the employee on 12 months of continued employment and 50% on 24 months of continued employment.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

27 Share-based Payments (continued)

Share-based payments granted during the year (continued):

The options were deemed to have a fair value of $0.0374 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	$0.046
Exercise price	$0.04
Expected volatility	157.46%
Risk free interest rate	0.99%
Useful life	3 years

2,000,000 Employee Options granted on 26 November 2021

On 26 November 2021, the Company granted an employee of the Company who is not a related party of the Company, 2,000,000 Options under the Plan. The exercise price of the options is $0.06 and the options will expire on 26 November 2024. 50% of these options will vest to the employee on 12 months of continued employment and 50% on 24 months of continued employment.

The options were deemed to have a fair value of $0.0352 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	$0.044
Exercise price	$0.06
Expected volatility	157.20%
Risk free interest rate	0.92%
Useful life	3 years

A share-based payment expense has been included within the Consolidated Statement of Profit or Loss and Other Comprehensive Income, with the expense recognised over the useful life/term of the options. The total share-based payment expense for the year in respect to equity instruments issued was $389,345, classified under Director & Employee Benefits (Note 3) in the profit and loss.

Share-based payment arrangements granted in prior years and exercised during the financial year ended 30 June 2022:

1) On 4 April 2019, the Group issued a total of 50,000,000 unlisted options exercisable at $0.01 on or before 3 April 2024, vesting immediately to vendors of IronRinger Resources Pty Ltd. 10,000,000 options were exercised during the year (2021: 40,000,000 were exercised).
2) On 16 August 2019, the Group granted 10,500,000 unlisted incentive options exercisable at $0.005 on or before 30 June 2024, vesting immediately to the Managing Director. 3,000,000 options were exercised during the year (2021: 4,000,000 options were exercised).
3) On 23 December 2019, the Group granted 30,000,000 unlisted incentive options exercisable at $0.005 on or before 9 April 2024, vesting annually over 4 financial years to the Managing Director.
4) On 25 May 2020, the Group engaged the services of Shaw and Partners Ltd as broker to manage the placement and the consideration for doing so included 40,000,000 options. The options are exercisable at $0.006 on or before 25 May 2023 vesting immediately to the broker. There were no options exercised during the year ended 30 June 2022 (2021: 20,000,000 options were exercised).
5) On 1 July 2020, The Board resolved to grant 5,479,452 options to Paul Chapman under the Company's Plan. This was approved by the shareholders on 30 November 2020. The options vested immediately and were exercised in full on 13 September 2021.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

27 Share-based Payments (continued)

Share-based payment arrangements granted in prior years and exercised during the financial year ended 30 June 2022 (continued):

6) On 2 October 2020, the Company agreed to offer two employees of the Company who are not related parties of the Company, 2,500,000 and 3,000,000 Options respectively under the Plan, subject to obtaining Shareholder approval. Shareholder approval was obtained on 30 November 2020. 50% of the options vest 12 months from grant date and the other 50% vest 24 months from grant date. Nick exercised 1,250,000 options on 1 December 2021 and Matthew exercised 1,500,000 options on 31 January 2022. In addition, a total of $46,029 was recognised as part of share-based payment expense for the portion vested during the year ended 30 June 2022.
7) On 1 November 2020, the Company agreed to offer an employee of the Company who is not a related party of the Company, 1,500,000 Options under the Plan. 50% of the options vest 12 months from grant date and the other 50% vest 24 months from grant date. Luke exercised 750,000 options during the year ended 30 June 2022. In addition, $14,407 was recognised as part of share-based payment expense for the portion vested during the year ended 30 June 2022.

The share options outstanding at the end of the financial year had a weighted average remaining contractual life of 1.61 years (2021: 3.03 years) and weighted average exercise price of $0.016 (2021: $0.04).

28 Events Occurring After The Reporting Date

Subsequent to 30 June 2022, the following significant events were undertaken by the Group:

- On 7 July 2022, the Group exercised its option securing 100% ownership over tenements E29/965 and E30/485 within the Illaara Project. These tenements cover parts of the Kings and P1 Iron ore occurrences including significant magnetite banded iron formations, the Central Komatiite belt, currently under assessments for nickel sulfides, the Eastern extensions of the Peggy Sue pegmatite field as well as several VMS and gold prospects many with samples awaiting assay. The exercise provides 100% ownership over the highly prospective, 75 km long, Illaara Greenstone Belt. On 20 July 2022, the Group paid $1,000,000 to Mel Dalla Costa to settle the transaction.
- On 9 July 2022, the Group executed a tenement sale and purchase agreement with Arrow Minerals Limited (ASX:AMD) to acquire a 100% interest in the Strickland Copper Gold Project (comprising E16/495, E30/493, E30/494, E77/2403, E77/2416, E77/2432, E77/2634) in Western Australia. The commercial terms of the agreement are as follows:
  - AMD received a $20,000 cash payment upon signing of the agreement. This was paid on 11 July 2022.
  - AMD will receive $280,000 cash payment at settlement. This was paid on 1 August 2022.
  - The Company will issue AMD 2,350,000 fully paid ordinary shares in Dreadnought Resources Ltd at settlement, escrowed until 31 January 2023. The Company issued the shares on 1 August 2022.
  - AMD will receive a further cash payment of $300,000 by 30 November 2022.
  - On the identification and reporting of JORC compliant inferred mineral resource of >500,000oz gold equivalent the Group will pay AMD $1,000,000 cash.
  - AMD will retain a total 1% Net Smelter Return royalty in relation to minerals mined by or on behalf of the Company on the Strickland Copper Gold Project.
- On 15 July 2022, the Group issued 8,500,000 unlisted options to its employees and company secretary. These options have an exercise price of $0.065 and will expire on 14 July 2025. The options will vest on 14 July 2023.
- In August 2022, the Group completed a heavily oversubscribed placement at $0.06 per share to institutional and sophisticated investors raising $12,000,000 (before costs). Directors contributed a further $350,000 to the placement maintaining 14% ownership and bringing their total investment to ~1.81 million, to be approved by shareholders at the AGM to be held in November 2022.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

28 Events Occurring After The Reporting Date (continued)

- On 17 August 2022, the Board of Directors, as part of the remuneration review for the 2022-2023 financial year, resolved to create a Long-Term Incentive scheme under which employees and, subject to shareholder approval, directors, may receive performance rights. The objectives of setting these LTIs in the remuneration review included:

    - Ensuring employee/director alignment and retention;
    - Creating long term shareholder value by setting significant targets that will have a material, beneficial impact on Dreadnought's enterprise value; and
    - Ensuring that Dreadnought remains a preferred employer of choice in being able to attract and retain professionals in a highly competitive market.

  The Board of Directors approved LTI scheme involves the issue of performance rights, with each performance right representing the right to subscribe for one fully paid ordinary Dreadnought share, to employees and directors. A LTI Plan will govern the terms of the performance rights. The adoption of the LTI Plan for the purposes of Listing Rule 7.2 Exception 13 will be subject to shareholder approval at the 2022 Annual General Meeting as will the issue of performance rights to directors. The essential terms of the LTIs are as follows:

  Vesting Conditions:
  The LTIs are divided into three equal tranches. Each tranche will vest upon the Company announcing, during the vesting period, a JORC 2012 Mineral Resource ("Resource") of Total Rare Earth Oxide ("TREO") as follows:

    - Tranche 1: A Resource of at least the inferred category of 10Mt @ > 1% TREO by 31 December 2022.
    - Tranche 2: A Resource of at least the inferred category of 20Mt @ > 1% TREO by 31 December 2023.
    - Tranche 3: A Resource of at least the inferred category of 30Mt @ > 1% TREO by 31 December 2024.

  Vesting of the performance rights will also be conditional on the holder remaining an employee or director as at the date the vesting condition is satisfied (subject to the exercise of any discretion by the Board to waive a vesting condition or to allow an employee or director who retires in certain circumstances to retain their performance rights as provided for by the rules of LTI Plan).

  Quantity of Performance Rights:
  The total number of performance rights proposed to be issued as LTIs across the three tranches has been determined by the Board as 29,200,000 with 7,700,000 issued to the directors and 21,500,000 to employees.

  The Company will seek shareholder approval at the 2022 Annual General Meeting for the issue of the performance rights to each director in accordance with ASX Listing Rule 10.14 and Chapter 2E of the Corporations Act 2001.

- As announced on 30 August 2022, First Quantum Minerals Ltd (TSE:FM "First Quantum"), a ~A$20B TSX listed company, has exercised its earn-in option over the Mangaroon Ni-Cu-PGE Project. First Quantum has funded the option period and can now earn an initial 51% interest by funding $12M of expenditure by 1 March 2026. First Quantum may withdraw at any time during the earn-in phase with 0% interest. First Quantum must also pay Dreadnought $150,000 by 30 September 2022. The key terms of the earn-in and Joint Venture Agreement include:
    - The Agreement covers the base metal rights over five tenements being E09/2384, E09/2473, E09/2433, E08/3178 and E08/3274.
    - First Quantum can earn an initial 51% interest by sole funding $12M of expenditure by 1 March 2026. First Quantum may withdraw from the project at any time during the earn-in phase with 0% interest.
    - Upon satisfying the earn-in requirements, a Joint Venture will be formed where First Quantum may elect to increase its interest to 70% by sole funding expenditure up until a Decision to Mine. If First Quantum elects to cease funding expenditure, it will revert to a 49% interest.
    - Once a Decision to Mine has been made, Dreadnought can elect to either:
        - Maintain its 30% by co-contributing.
        - Dilute to 20% and be loan carried by First Quantum, repaid through revenue.
        - Divest its 30% interest to First Quantum at fair market value.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

28 Events Occurring After The Reporting Date (continued)

- On 2 September 2022, the Company appointed PKF Perth to perform the audit function of the Company. PKF Perth's appointment is effective until the next Annual General Meeting of the Company. In accordance with section 327C of the Corporations Act 2001, a resolution will be put to shareholders at the 2022 Annual General Meeting to appoint PKF Perth as the Company auditor. In accordance with subsection 329(5) of the Corporations Act and having received the consent of the Australian Securities and Investment Commission (ASIC), Nexia Perth Audit Services Pty Ltd has resigned as Auditor of the Company.

- On 12 September 2022, subject to completion, the Group announced the acquisition of 100% interest in 5 tenements covering 77 square kilometres of major regional structures. The tenements host at least ten historic gold mines including the high-grade Star of Mangaroon, Pritchard Well and Twin Peaks gold mines. The tenements are strategically located between the Group's 100% owned rare earths project to the south-east and the First Quantum Minerals Ni-Cu-PGE Earn-in to the north-west.

  The key commercial terms with the unrelated party vendors (subject to completion) are shown below.

  1. Key commercial terms to acquire 100% of E09/2290, M09/146, M09/147 and M09/175 include:
     a. Dreadnought to own 100% upon Completion;
     b. Dreadnought to pay $50,000 upon signing the Sale & Purchase Agreement (paid);
     c. Dreadnought to pay $250,000 at Completion;
     d. Vendors to receive 20,000,000 fully paid ordinary shares at Completion;
     e. 1% gross royalty payable on E09/2290, M09/146 and M09/147; and
     f. 0.5% gross royalty payable on M09/175.
  2. Key commercial terms to acquire 100% of M09/174 include:
     a. Dreadnought to own 100% upon Completion;
     b. Dreadnought to pay $25,000 upon signing the Sale & Purchase Agreement (paid);
     c. Dreadnought to pay $50,000 at Completion;
     d. Vendor to receive 1,000,000 fully paid ordinary shares at Completion; and
     e. 0.5% gross royalty payable.

  Completion is expected to occur in November 2022.

  On 12 September 2022, the Group also announced the proposed issue of 21,000,000 fully paid ordinary shares of the Company with an estimated issued price of $0.13 per share as part of the consideration for the acquisition of the tenements above. The shares are expected to be issued on 2 December 2022.

- As announced on 14 September 2022, Philip Crutchfield KC was appointed as a non-executive director of Dreadnought effective 13 September 2022. In addition, after 5 years on the Board, Paul Payne decided to step down as a non-executive director of Dreadnought effective 13 September 2022. Paul will continue to provide a number of consulting services to Dreadnought including an initial JORC Resource on the Metzke's Find gold deposit at the Central Yilgarn Project in the December 2022 quarter.

- On 15 September 2022, Dreadnought issued 1,500,000 ordinary fully paid shares as a result of an early exercise of options by an employee. The options were exercisable at any time until 2 July 2024 at an exercise price of $0.04 per option. The amount raised on the exercise of the options was $60,000. Dreadnought has relied on Section 708A of the Corporations Act 2001 (Cth) in relation to the issue of shares.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

28 Events Occurring After The Reporting Date (continued)

Other than the events detailed above, there has not arisen in the interval between 1 July 2022 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

29 Parent entity

	30 June 2022 $	30 June 2021 $
Statement of Financial Position		
Assets		
Current assets	2,840,494	3,134,597
Non-current assets	18,327,553	10,367,656
Total Assets	**21,168,047**	**13,502,253**
Liabilities		
Current liabilities	1,346,802	777,787
Non-current liabilities	177,577	578,947
Total Liabilities	**1,524,379**	**1,356,734**
Equity		
Issued capital	60,954,153	52,030,339
Accumulated losses	(42,080,903)	(40,788,851)
Reserves	770,418	904,031
Total Equity	**19,643,668**	**12,145,519**
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	(1,292,052)	(1,291,121)
Total comprehensive loss	**(1,292,052)**	**(1,291,121)**

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

30 Company Details

The registered office of the Company is:

Dreadnought Resources Ltd
Level 3, 35 Outram Street
West Perth WA 6005

The principal place of business of the Company is:

Dreadnought Resources Ltd
Unit 1, 4 Burgay Court
Osborne Park WA 6017

The postal address of the Company is:

PO Box 646
West Perth WA 6005

www.dreadnoughtresources.com.au

Email: info@dreadnoughtresources.com.au

Directors' Declaration

For the Year Ended 30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Dean Tuck
Managing Director

Dated 28 September 2022

PKF Perth

Advisory • Audit
Business Solutions

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DREADNOUGHT RESOURCES LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Dreadnought Resources Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Dreadnought Resources Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate audit opinion on this matter. For the matter below, our description of how our audit addressed this matter is provided in that context.

1. Valuation of capitalised exploration expenditure

Why significant

As at 30 June 2022 the carrying value of exploration and evaluation assets was $17,660,998 (2021: $10,371,428), as disclosed in Note 10.

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1(r).

Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  - whether the particular areas of interest meet the recognition conditions for an asset; and
  - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
  - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
  - obtaining specific representations with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
  - obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes.
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
- reviewing the impairment calculations provided and related assumptions and disclosures in Notes 1(r), 1(t) and 10 for accuracy and completeness.

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2. Share Based Payments

Why significant	How our audit addressed the key audit matter
For the year ended 30 June 2022, the value of share-based payments issued totalled $389,345 as disclosed in Note 3 and 27. This has been recognised as a share-based payment expense in the Statement of Profit or Loss and Other Comprehensive Income for $389,345. The consolidated entity's accounting judgement and estimates in respect of share-based payments is outlined in Note 1(q). Significant judgement is required in relation to: • The valuation method used in the model; and • The assumptions and inputs used within the model.	Our work included, but was not limited to, the following procedures: • Reviewed the company's valuations of the equity instruments issued, including: o assessing the appropriateness of the valuation method used; and o assessing the reasonableness of the assumptions and inputs used within the valuation model. • Reviewed Board meeting minutes and ASX announcements as well as enquired of relevant personnel to ensure all share-based payments had been recognised; • Assessed the allocation and recognition to ensure these are reasonable; and • Assessed the appropriateness of the related disclosures in Notes 1(q), 3 and 27.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2022, 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, with the exception of the Remuneration Report.

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

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

Responsibilities of Directors' for the Financial Report

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

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

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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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, actions taken to eliminate threats or safeguards applied.

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

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Dreadnought Resource Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

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

PKF Perth

PKF PERTH

SHANE CROSS
AUDIT PARTNER

28 SEPTEMBER 2022
WEST PERTH
WESTERN AUSTRALIA

ASX Additional Information

Additional information required by the ASX Listing Rules is set out below.

1. **Shareholdings**

The issued capital of the Company as at 23 September 2022 is:

3,042,533,551 ordinary fully paid shares

All issued ordinary fully paid shares carry one vote per share.

2. **Distribution of Equity Securities as at 21 September 2022**

Ordinary Shares (ASX Code: DRE)

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	104	28,517	0.00
1,001 - 5,000	183	720,290	0.02
5,001 - 10,000	491	4,030,774	0.13
10,001 - 100,000	2,944	133,075,595	4.35
100,001 Over	2,441	2,904,678,375	95.49
Totals	**6,137**	**3,042,533,551**	**100.00%**

3. **Unmarketable parcels**

There were 208 holders of less than a marketable parcel of ordinary shares.

4. **Substantial shareholders as at 23 September 2022**

Name	Number of Shares	% Holding
Paul Chapman and associated entities	311,038,084	10.22%

5. **Restricted Securities Subject to Escrow as at 23 September 2022**

The 2,350,000 shares issued to Arrow Minerals Limited as partial consideration for the Group's acquisition of seven tenements are escrowed until 31 January 2023.

6. **On-market buy back**

There is currently no on-market buyback program for any of the Company's listed securities.

7. **Group cash and assets**

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the year ended 30 June 2022 consistent with its business objective and strategy.

8. **Voting Rights**

All ordinary fully paid shares have one voting right per share. Unlisted options have no voting rights.

ASX Additional Information

9. **Top 20 Largest Holders of Listed Securities as at 21 September 2022**

	Holder Name	**Holding**	**%**
1	STONE PONEYS NOMINEES PTY LTD <CHAPMAN SUPER FUND A/C>	296,471,330	9.74
2	PARETO NOMINEES PTY LTD <THE DAMELLE A/C>	69,829,613	2.30
3	MR PHILIP DAVID CRUTCHFIELD	60,834,525	2.00
4	MR DAVID MICHAEL CHAPMAN + MS MICHELE WOLLENS <CW SUPER A/C>	54,224,107	1.78
5	CITICORP NOMINEES PTY LIMITED	53,930,364	1.77
6	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	50,990,162	1.68
7	PAYNE GEOLOGICAL SERVICES PTY LTD <PAYNE SUPER FUND A/C>	39,652,781	1.30
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	39,000,000	1.28
9	PARKRANGE NOMINEES PTY LTD	34,200,000	1.12
10	MRS BELINDA GORDON + MR IAN GORDON <GORDON SUPER FUND A/C>	27,611,114	0.91
11	MR NEVRES CRLJENKOVIC	25,000,000	0.82
11	MR TAO WU	25,000,000	0.82
13	MR DEAN TUCK + MRS DIANNE MAE TUCK <TUCK FAMILY A/C>	20,710,317	0.68
14	MR IAN JAMES GORDON	20,564,073	0.68
15	MR DREW GRIFFIN MONEY	20,000,000	0.66
15	MR LIZHONG WU + MRS WEIPING QIU <WU&QIU SUPERFUND A/C>	20,000,000	0.66
17	MR STEPHEN JAMES FOLEY + MS NATALIE CHANTAL MELLONIUS <FOLEY FAMILY A/C>	18,333,330	0.60
18	NATIONAL NOMINEES LIMITED	18,077,468	0.59
19	KAOS INVESTMENTS PTY LIMITED	17,750,000	0.58
20	CAMPBELL KITCHNER HUME & ASSOCIATES PTY LTD <C K H SUPERFUND A/C>	17,400,000	0.57
	Total held by top 20 registered shareholders	**929,579,184**	**30.55**

ASX Additional Information

10. **Unquoted securities**

The following table lists the unquoted options over unissued shares issued under the Dreadnought Employee Incentive Plan.

Options Class	Securities on Issue	Holder(s)
UNLISTED OPTIONS @ $0.01 EXPIRING 01/10/23	2,750,000	2
UNLISTED OPTIONS @ $0.005 EXPIRING 9/04/2024	30,000,000	1
UNLISTED OPTIONS @ $0.06 EXPIRING 11/08/2024	2,000,000	1
UNLISTED OPTIONS @ $0.005 EXPIRING 30/06/2024	3,500,000	1
UNLISTED OPTIONS @ $0.02 EXPIRING 31/10/2023	750,000	1
UNLISTED OPTIONS @ $0.04 EXPIRING 02/07/2024	15,000,000	5
UNLISTED OPTIONS @ $0.06 EXPIRING 26/11/2024	2,000,000	1
UNLISTED OPTIONS @ $0.065 EXPIRING 14/07/2025	8,500,000	7

The following table lists the unquoted options over unissued shares issued outside of the Dreadnought Employee Incentive Plan.

UNLISTED OPTIONS @ $0.006 EXPIRING 25/05/2023

	Holder Name	Holding	%
1	MR BLAIR OLIVER CAMPBELL SPAULDING <SANCERRE INVEST A/C>	5,000,000	25%
2	PARETO NOMINEES PTY LTD <THE DAMELLE A/C>	10,000,000	50%
3	RAVENHILL ASSET MANAGEMENT PTY LTD	5,000,000	25%
	Total	**20,000,000**	**100%**

ASX Additional Information – Tenement List

Project	Tenement	Lease Name	State	Status	% Owned by DRE	Holders
Tarraji-Yampi	E04/2315	Tarraji	WA	Granted	80%	Dreadnought Exploration Pty Ltd (80%) Whitewater Resources Pty Ltd (20%)
Tarraji-Yampi	E04/2508	Yampi	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Tarraji-Yampi	E04/2557	Yampi	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Tarraji-Yampi	E04/2572	Yampi	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Tarraji-Yampi	E04/2608	Robinson River	WA	Granted	100%	Dreadnought Exploration Pty Ltd
West Kimberley	E04/2675	Meda	WA	Granted	100%	Dreadnought Exploration Pty Ltd
West Kimberley	E04/2676	Easton	WA	Granted	100%	Dreadnought Exploration Pty Ltd
West Kimberley	E04/2560	Wombarella	WA	Granted	100%	Dreadnought Exploration Pty Ltd
West Kimberley	E04/2574	Broome Creek	WA	Application	100%	Dreadnought Exploration Pty Ltd
West Kimberley	E04/2573	Napier Downs	WA	Granted	100%	Dreadnought Exploration Pty Ltd
West Kimberley	E04/2815	Meda	WA	Application	100%	Dreadnought Exploration Pty Ltd
West Kimberley	E04/2816	Meda	WA	Application	100%	Dreadnought Exploration Pty Ltd

ASX Additional Information – Tenement List

Project	Tenement	Lease Name	State	Status	% Owned by DRE	Holders
Illaara	E29/0957	Illaara	WA	Granted	100%	Dreadnought Resources Ltd
Illaara	E29/0959	Illaara	WA	Granted	100%	Dreadnought Resources Ltd
Illaara	E29/1050	Metzke's Find	WA	Granted	100%	Dreadnought (Yilgarn) Pty Ltd
Illaara	E30/0471	Illaara	WA	Granted	100%	Dreadnought Resources Ltd
Illaara	E30/0476	Illaara	WA	Granted	100%	Dreadnought Resources Ltd
Illaara	E29/0965	Ularing	WA	Granted	100%	Dalla-Costa, Melville Raymond
Illaara	E30/0485	Wailing Rock	WA	Granted	100%	Dalla-Costa, Melville Raymond
Mangaroon	E08/3178	Gascoyne	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E08/3274	Lyndon	WA	Granted	100%	Dreadnought Resources Ltd
Mangaroon	E08/3275	Lyndon	WA	Granted	100%	Dreadnought Resources Ltd
Mangaroon	E08/3439	Lyndon	WA	Granted	100%	Dreadnought Exploration Pty Ltd

ASX Additional Information – Tenement List

Project	Tenement	Lease Name	State	Status	% Owned by DRE	Holders
Mangaroon	E09/2359	Gascoyne	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2370	Gascoyne	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2384	Gascoyne	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2433	Gascoyne	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2448	Lyons	WA	Granted	100%	Dreadnought Resources Ltd
Mangaroon	E09/2449	Lyons	WA	Granted	100%	Dreadnought Resources Ltd
Mangaroon	E09/2450	Lyons	WA	Granted	100%	Dreadnought Resources Ltd
Mangaroon	E09/2467	Lyndon	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2473	Lyndon	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2478	Lyndon	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2531	Lyons	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2535	Hardey	WA	Granted	100%	Dreadnought Exploration Pty Ltd

ASX Additional Information – Tenement List

Project	Tenement	Lease Name	State	Status	% Owned by DRE	Holders
Mangaroon	E09/2616	Hardey	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2620	Hardey	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Mangaroon	E09/2405	Mangaroon	WA	Granted	100%	Historic Gold Mines Pty Ltd
Illaara	E30/534	Ularing	WA	Application	100%	Dreadnought Exploration Pty Ltd
Illaara	L29/0143	Wailing Rock	WA	Application	100%	Dreadnought Exploration Pty Ltd
West Kimberley	P04/306	Mt Amy	WA	Granted	100%	Dreadnought Exploration Pty Ltd
West Kimberley	P04/307	Mt Amy	WA	Granted	100%	Dreadnought Exploration Pty Ltd
West Kimberley	P04/308	Mt Amy	WA	Granted	100%	Dreadnought Exploration Pty Ltd
West Kimberley	P04/309	Mt Amy	WA	Granted	100%	Dreadnought Exploration Pty Ltd
Windell	E52/4139	Bresnahan	WA	Application	100%	Dreadnought Exploration Pty Ltd
Windell	E52/4141	Bresnahan	WA	Application	100%	Dreadnought Exploration Pty Ltd
Windell	E52/4142	Bresnahan	WA	Application	100%	Dreadnought Exploration Pty Ltd

ASX Additional Information – Tenement List

Project	Tenement	Lease Name	State	Status	% Owned by DRE	Holders
Windell	E52/4143	Bresnahan	WA	Application	100%	Dreadnought Exploration Pty Ltd
Windell	E52/4144	Bresnahan	WA	Application	100%	Dreadnought Exploration Pty Ltd
Windell	E52/4145	Bresnahan	WA	Application	100%	Dreadnought Exploration Pty Ltd
Windell	E52/4146	Bresnahan	WA	Application	100%	Dreadnought Exploration Pty Ltd
Windell	E52/4147	Bresnahan	WA	Application	100%	Dreadnought Exploration Pty Ltd
Teano	E52/4137	Range Creek	WA	Application	100%	Dreadnought Exploration Pty Ltd
Teano	E52/4138	Range Creek	WA	Application	100%	Dreadnought Exploration Pty Ltd
Teano	E52/4140	Range Creek	WA	Application	100%	Dreadnought Exploration Pty Ltd
Bulga	E29/1074	Central Yilgarn	WA	Granted	100%	Dalla-Costa, Melville Raymond
Mt Elvire	E77/2403	Evanston	WA	Granted	100%	Arrow (Strickland) Pty Ltd
Evanston	E77/2416	Evanston	WA	Granted	100%	Arrow (Strickland) Pty Ltd
Evanston	E77/2432	Evanston	WA	Granted	100%	Arrow (Strickland) Pty Ltd

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