

ANNUAL REPORT

2023

A YEAR OF GROWTH AND RESILIENCE



Proven track record of being able to operate in Laos

First mover after 15 years of neglected exploration in a fertile country ripe for a major new entry



Table of Contents

Introduction	3
Message from CEO	4
Our People	5
Market Analysis and Industry Trends	8
Corporate and Governance	9
Exploration Summary	11
Additional Information	12
ESG Achievements	13
Communities and the Environment	16
Financial Position and Liquidity	17
Building Relationships in Laos	18
Milestones and Achievements	19



Introduction

UNCOVERING MINERALS POTENTIAL IN AN UNDEREXPLORED COUNTRY

Welcome to Annamite Resources first Annual Report covering 2023. This report reflects our commitment to transparency, accountability, and continuous progress in exploration and resource discovery.

The report provides a detailed account of our achievements, milestones, and strategic initiatives and reflects our team effort and the firm support of our stakeholders.

It contains our financial statements, a report on our exploration progress and commitment to responsible stewardship, environmental sustainability, and social responsibility.

Thank you for your continued support and partnership as we continue our exploration work in accordance with the highest international standards.



Reflecting on Our Progress

Annamite Resources Annual Report

Dear Shareholders and Stakeholders,

I am delighted to present to you the first annual report covering 2023 for Annamite Resources, outlining our progress, achievements, and strategic direction over the past year. It also reflects what we have accomplished together since we set up Annamite in May 2019.

KEY HIGHLIGHTS FROM THE PAST YEAR INCLUDE:

1. Exploration Success:

We have made significant advances in our exploration work at Sokdee, with several promising targets drilled which hold great potential for future development. Our exploration efforts have involved engagement with neighbouring communities and local authorities while minimizing environmental impacts.

2. Sustainability Approach:

Sustainability lies at the core of everything we do. We have continued to integrate sustainable practices into our operations, from minimizing our carbon footprint to prioritizing the well-being of local communities. Through building local partnerships, fair compensation for land access and proactive stakeholder engagement, we are working to create lasting positive impacts on the environment and society. Health and safety is central to all we do, ensuring this for both our staff and host communities.

3. Financial Performance:

Despite capital market uncertainties, we have raised in 2023 a total close to US\$ 1.5 million, plus \$660k of direct Sokdee project funding from Rio Tinto Exploration. Our spending on exploration exceeded \$1.6 million in 2023, enabling a solid foundation for confirming our discovery of the porphyries and peripheral structures in Sokdee in 2024. We have focused on putting "money in the ground" to add value to our exploration assets and deliver long-term value to our shareholders.

Looking ahead, we remain focused on continuing exploration at Sokdee while securing two new attractive tenements in 2024, one of which, Vangma, we have recently signed. Our goal is to confirm good exploration results and commercial resources, with the target of listing ARH on the ASX by the end of 2025.

That will put the company in a position to deliver returns for all our shareholders and raise more funds for work on the ground. We will continue to adapt and innovate, remaining flexible when facing market uncertainties.

Annamite is the only Junior Private Explorer Company established in Laos, following a 15-year drought of modern exploration in the country. We have a track record of being able to operate in Laos with the right mix of skills.



Annamite is moving our flagship project, Sokdee, up the value curve with deals on two new tenements.

As we look to the future, I am filled with optimism and excitement about the possibilities that lie ahead. The mining industry is evolving rapidly, presenting both challenges and opportunities.

I would like to thank our shareholders, employees, partners, and communities for their support and collaboration. Together, we have made major progress, and I am confident that we can build on this to establish a series of resources on our projects in the coming years.

Thank you for your continued support, trust, and confidence in Annamite Resources.



Didier FOHLEN

Chief Executive Officer

Our People

Leadership in Action

**CHRISTOPHER GOSS**

Chairman

Christopher is a minerals financier and economist, who ran business development for natural resources for the IFC. IFC is the private sector arm of the World Bank Group and is a major private sector investor in mining in emerging markets. He led IFC mining transactions in Africa, Russia, Central Asia, and Latin America. Prior to that, he advised African governments in natural resource policy and negotiations. From 2010-2017 he was on the board of and latterly Non-Executive Chairman of Triple Plate Junction, now Adriatic Metals listed on AIM in London. He led the IFC syndication of a \$6bn loan to the major Oyu Tolgoi copper development in Mongolia, operated by Rio Tinto.

**DIDIER FOHLEN**

Chief Executive Officer

Didier has an engineering degree from the School of Geology and Mines, Nancy, France. He has 40 years of experience in natural resources, energy, and geoscience including senior management positions in project finance, exploration, mine development, operations, and closure/rehabilitation. This included 15 years in the World Bank Group/IFC mining group working worldwide, three years with Orano Mines, managing new projects in Canada, Niger, and Namibia as well as historical mines in the US and France. Over the last 12 years, he held various top positions in Lydian International and was the Founder and then Executive Director of Tethyan Resources. He has about 8 years of working experience in Laos.

**RAEL LIPSON**

Independent Director

Dr. Lipson is a consulting geologist and previously Chief Geologist for Gold Fields Ltd Denver office, with +45 years of global exploration and mine experience. He assessed the geological potential of Au and Cu-Au deposits worldwide, from greenfields to producing mines, for JV or acquisition opportunities. He was a member of the discovery team of the world-class Black Mountain base metal deposits at Aggeneys, South Africa. Rael has served on the board of Golden Reign Resources (now Mako Mining Corp.) through both the exploration phase and the current successful mining and ongoing exploration phases of the high-grade San Albino gold deposits in Nicaragua. He also taught a graduate course on Exploration Targeting at the Colorado School of Mines.

**PAUL BURRELL**

Chief Geologist

Paul is an Australian expatriate geologist with more than 35 years of continuous experience in mineral exploration project generation and management. Paul's commodity experience includes platinum group metals, gold, base metals, and industrial minerals. He is a Registered Professional Geoscientist (RPGeo) with the Australian Institute of Geoscientists and is a Competent Person for precious and base metals in deposit types including porphyry/epithermal and sediment-hosted. Paul has worked in Laos since 2011, first with MMG at Sepon Mine, then since 2017, as a consultant for various clients in Laos. He was instrumental in recognizing the potential of the Boundary-Namthom-Mouk Cu-Au-Mo porphyry system.

Empowering Progress

Meet the Faces of Our Management



A dedicated team of professionals who have contributed their expertise, passion, and collaboration to drive our success.



DIDIER FOHLEN
Chief Executive
Officer



ALEX PYNG
Chief Financial
Officer



CHAN MOUANMANY
Senior Manager Government
Affairs & Investor Relations



LITHYDA SISOMBAT
Office Manager
(left in March 2024)



LEIAN MAE DULTRA
CEO's Executive Asst. &
Communication Officer



KHAMPHONG PHOTHONG
Senior Accountant



SOUPHANITH XAPAKDY
Accounting Assistant



NAYIKA PHILAPHA
Administrative Officer



PAUL BURRELL
Chief Geologist



MANOPAT SRIPO
Senior Geologist



VILAYPHONE THAMMAVONGSA
Community Relations Officer



SOMPHEH PHAENGPHANHANH
Site Administrative Officer



BOUNLAM VONGICHANH
Senior GeoTech



KHAMSOOK PHOXAY
GeoTech



SOUTHAXAY NUNTHALATH
GeoTech

Solid Growth, Sustainable Prosperity



*Unveil the Depths of Our 2023
Performance:*

*A Comprehensive Exploration of
Achievement and Growth*

Market Analysis and Industry Trends

Worldwide and in Laos

Annamite is keeping abreast of market and industry trends, to better position ourselves to capitalize on opportunities and navigate potential challenges.

MARKET ANALYSIS

1. Global Economic Outlook:

Economic stimulus measures, infrastructure spending initiatives by governments worldwide and the need to control climate change continue to drive demand for commodities, particularly metals and minerals essential for the green economy, including cleaner energy. This is especially the case in the medium term, where a major shortfall in copper supply is expected. This aligns well with Annamite's copper potential.

2. Laos Economy Environment:

Laos's GDP growth accelerated for the third consecutive year in 2023, boosted by looser Covid-19 restrictions and increased traffic via the newly built Laos-China railway. In addition, The Lao PDR Ministry of Energy and Mines (MEM) is anticipating a sector development strategy for 2024, building on achievements in 2023 that saw mining production rise to 89.892 billion Lao Kip (4.37 million U.S. dollars), an increase of 27 percent from last year.

3. Metals Demands and Prices:

The gold price has increased substantial in the last year, probably mainly due to geopolitical uncertainty and Chinese government purchases. Over the next 30 years, the world will need nearly twice the volumes of copper the world has produced over the last 3,000 years. (<https://energyminute.ca/infographics/the-volume-of-2050-net-zero-copper-demand/>), with a resultant impact on the price, which could increase sharply. Gold and copper price are expected to raise more in 2024.

4. Environmental, Social and Governance (ESG) Considerations:

Good ESG practice continues to be emphasized in the industry and regulatory compliance continues to be a paramount concern. Companies such as Annamite that prioritize environmental stewardship and social responsibility are better positioned to attract investment and mitigate operational risks. Our high standards in this respect were key to Rio Tinto's decision to partner with us.



Corporate Overview

Annamite Resources is a junior exploration company operating in Laos, dedicated to responsible metals resource development, with a focus on gold, copper, molybdenum, silver and zinc. We are committed to making economic discoveries, and unlocking the potential of mineral resources in Laos while ensuring environmental protection and community engagement. Five years after its incorporation in Singapore, Annamite has successfully positioned itself as a strong Junior Explorer Company in Laos, with a portfolio of three attractive projects covering 410 sq.km with our two new deals (the second one closed in March 2024 and the third in final negotiation).

EXPLORATION PROGRESS SUMMARY

In November 2021 we acquired 70% ownership in the Sokdee exploration project of 50 sq.km under the Lao Hyundai Black Stone Co., Ltd (LHBS) license, and we have discovered a highly prospective porphyry copper-gold 6km long system at Sokdee. In 2023 Annamite and Rio Tinto, joined forces to explore the Sokdee Project with Annamite carrying out the exploration work and Rio paying for the exploration costs. Rio's injection of funds has allowed exploration of Sokdee in 2023 at a much faster pace and more comprehensively than Annamite could have done solely from other private investor funds. More drilling will take place in 2024 on the six targets already identified to confirm the Sokdee discovery. Significant work is required by Annamite in 2025-2028 to confirm the minerals potential of Sokdee and make it an economic deposit, as well as explore other areas.

In parallel to exploring Sokdee, Annamite's is securing two new attractive projects: (i) Vangma, which is adjacent to Sokdee (148 sq.km area) in the Loei Belt, and (ii) Kham Hong (182 sq.km) in Northern/Western Laos in the Truong Son belt, next to the Phu Bia mines. During 2024 Annamite will ramp up its exploration activities in these areas as well as in Sokdee.

SUSTAINABILITY AND RESPONSIBILITY

We are committed to conducting our operations in a manner that minimises environmental impact and maximises positive social outcomes. Our sustainability strategy encompasses environmental stewardship, community engagement, and ethical business practices.



We adhere to international standards of health, safety, environmental and social management, using the IFC Performance Standards as the benchmark. We follow all Good international Industry Practice (GIIP) for exploration and mining.

Through proactive stakeholder consultation, transparent communication, and responsible land management, we strive to foster mutually beneficial relationships with local communities and beyond with all stakeholders in Laos.

LOCAL PRESENCE WITH UNIQUE CLOUT

We have established a unique network of government and business contact in Laos allowing our team, capitalizing on our deep knowledge and extensive local experience, to identify and progress high quality targets tenements.



INVESTMENT PROGRESS

Annamite expects to complete its fourth fundraise in June 2024, looking for investors to provide an additional US\$2,500,000 - US\$ 4,000,000 in equity at a share price of 12 cents (US) plus options. As of early 2024, we have raised US\$3.9M with three consecutive raises completed after the initial Founders investment. The implied value of the company today is \$11.5M. The number of shares outstanding is 95M with 64 shareholders, and total outstanding options are 0.8M. In parallel in 2023 we received funding of US\$660k from Rio Tinto Exploration (RTX) dedicated to exploring Sokdee per the Option Agreement signed on 6 July 2023. We have a variety of investors from Europe, Australia, Asia, and North America to provide an excellent shareholder base to grow the company.

Should capital markets recover, we plan to list on the ASX by end of 2025 and although we want to prioritise exploration, listing will be important for attracting additional investors as well as enabling investors to trade their shares.

FINANCIAL MANAGEMENT

In line with our commitment to operational excellence, Annamite diligently managed costs across all facets of our operations. Rigorous cost control measures were implemented to optimize expenditures without compromising on safety, quality, or environmental standards. Through streamlined processes and operational efficiencies, we were able to maximize value from our exploration endeavors while minimizing overheads. We have also contributed over US\$870k to the Lao PDR Treasury by paying all fees and rent due by LHBS for the period 2018-2023.

Adhere to highest standards of Corporate Governance

Overall our business philosophy is to adhere to the highest standards of corporate governance. At Annamite Resources, we recognize that effective corporate governance is paramount to building trust, ensuring transparency, and fostering sustainable growth. As a start-up exploration company operating in Laos, an emerging country with diverse and dynamic environments, we are committed to upholding the highest standards of transparency integrity, ethics, and accountability across all aspects of our work.

The company was incorporated in Singapore as Annamite Resources Holdings Pte. Ltd (ARH). It follows all the requirements of the Accounting and Corporate Regulatory Authority (ACRA) which is the national regulator of business entities, public accounting and corporate service providers in Singapore. ACRA is responsible for the regulation, supervision and development of investment business and financial services industry per the Companies Act (Cap 50), the Limited Liability Partnerships Act (Cap 163A) and the Limited Partnerships Act 2008 (Act 37 of 2008). A second Singapore entity named Annamite Resources Investment Pte. Ltd. (ARI) was established in May 2023, with the purpose of avoiding the regulatory costs involved in exceeding the Singapore threshold for shareholder numbers. We also have a 90% owned Lao subsidiary, Annamite Resources Laos Co. Ltd (ARL) which we will use primarily as a vehicle for acquiring wholly new licences.

OUR CORPORATE STRUCTURE:



ANNAMITE'S CORE GOVERNANCE PRINCIPLES ARE:

1. To be a good corporate citizen, demonstrating integrity in each business and community in which we operate.
2. To be open and honest in all our dealings, while respecting commercial and personal confidentiality.
3. To be objective, consistent and fair with all our stakeholders.
4. Joint ventures will be negotiated with a focus on equity earned through in-ground expenditure, particularly drilling.
5. To operate professionally in a performance-orientated culture and be committed to continuous improvement.

BOARD OF DIRECTORS OVERSIGHT

Our Board of Directors plays a pivotal role in providing strategic guidance and oversight to safeguard the interests of our shareholders and stakeholders. Comprised of experienced professionals with diverse backgrounds, our board brings a wealth of knowledge and expertise to the table. Through regular and robust deliberations, they ensure that Annamite Resources adheres to best practices, complies with regulatory requirements, and remains aligned with our corporate mission and values.

TRANSPARENCY AND DISCLOSURE

Transparency forms the foundation of our corporate governance framework. We believe in open and honest communication with our stakeholders, including shareholders, employees, communities, and regulatory bodies. Through timely and comprehensive disclosure of information, we strive to enhance understanding and trust in our operations. Our commitment to transparency extends to financial reporting, operational performance, environmental practices, and social initiatives, enabling stakeholders to make informed decisions and hold us accountable for our actions.

ETHICAL CONDUCT AND COMPLIANCE

Ethical conduct is non-negotiable at Annamite Resources. We conduct our business with the highest level of integrity, honesty, and respect for all stakeholders. Our Code of Ethics and Business Conduct outlines clear guidelines and expectations for employees at all levels, emphasizing compliance with Singapore and Laos laws and regulations, and our internal policies and procedures. Through ongoing training, awareness programs, and regular audits, we ensure that our workforce upholds these principles in their daily activities, safeguarding our reputation and fostering a culture of trust and integrity.

RISK MANAGEMENT

As a responsible corporate citizen, we recognize the importance of managing risks effectively and engaging with our stakeholders proactively. Our risk management framework identifies, assesses, and mitigates risks across various areas, including operational, financial, political, environmental, and social. By integrating stakeholder perspectives into our decision-making processes, we strive to address concerns, build consensus, and create shared value for all parties involved.

CONTINUOUS IMPROVEMENT AND ACCOUNTABILITY

At Annamite Resources, we believe in continuous improvement and accountability as key drivers of success. We regularly review and evaluate our corporate governance practices, seeking feedback from stakeholders and benchmarking against industry standards.

Through rigorous self-assessment and external validation, we identify areas for enhancement and implement corrective measures to strengthen our governance framework further. By holding ourselves accountable to our commitments and performance objectives, we strive to maintain the trust and confidence of our stakeholders and drive sustainable value creation over the long term.

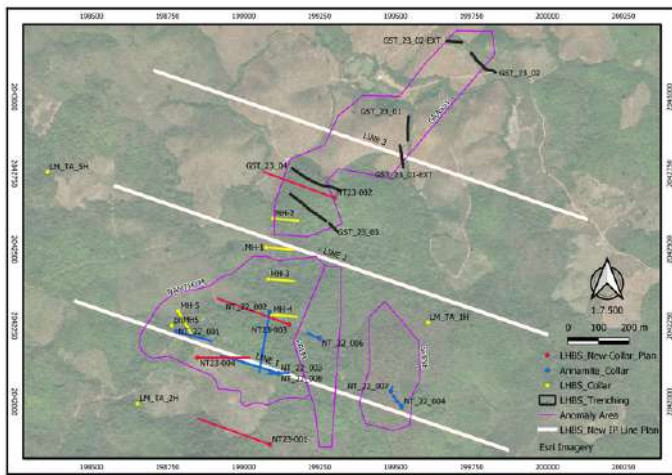
Corporate governance are fundamental principles that guides our actions and decisions at Annamite Resources. By upholding integrity, transparency, and accountability in all aspects of our operations, we are committed to creating long-term value for our shareholders, employees, communities, and other stakeholders. We plan in 2024 to develop a comprehensive Corporate Governance Framework.

Exploration Summary

How Our Work is Adding Value

Exploration activities during 2023 included surface geochemical surveys (infill soils and rock chip sampling), geological mapping, geophysics (drone magnetics and induced polarisation [IP]), trenching, reverse circulation percussion (RC) and diamond core (DD) drilling.

Work on the Sokdee tenement included collection of 447 soil samples, 114 rock chip samples, additional mapping, additional drone magnetics and deep penetrating IP surveys over the northern part of the tenement, a few selected trenches (623m) and RC holes (596m) and DD drilling at Mouk and Namthom by Rio Tinto for a total of 1,491m.



SIGNIFICANT GOLD INTERCEPTS WERE OBTAINED AT THE SPINE TARGET, INCLUDING

- NT23-014RC 0 - 10m 10m @ 1.34g/t.
 - NT23-016RC 0-32m 32m @ 0.81g/t, including:
 - 0-8m 8m @ 0.34g/t, and
 - 23 - 32m 11m @ 2.04g/t, including
 - 25 - 29m 4m @ 5.09g/t.
 - NT23-015RC 0-8m 8m @ 1.37g/t and 55 - 59m 4m @ 0.89g/t
- These results augment the 2022 intersections in hole NT22-007DD of 0 - 12m 12m @ 0.62g/t Au and 32.6 - 34.6 2m @ 8.7g/t Au, 40g/t Ag, 0.29% Cu and 6.1% Zn
 - All work programmes were performed per approved budgets.
 - RC drilling progressed the near surface Au potential of Spine and led to initial gold metallurgical test work by ALS in Perth. Leach test recoveries 89% are encouraging.

BUILDING ON THE ENCOURAGING 2022 INTERSECTIONS OF

- Spine vein: NT22-007DD 0 - 12m 12m @ 0.62g/t Au and 32.6 - 34.6m 2m @ 8.7g/t Au, 40g/t Ag, 0.29% Cu and 6.1% Zn
- Palm vein: NT22-006DD 64 - 67m 3m @ 9.2g/t Au, 49g/t Ag, 0.51% Cu
- Namthom porphyry: NT22-003DD 24-84m: 60m @ 0.22g/t Au, 0.41% Cu and 88ppm Mo

Additional Information

Reporting Good Exploration Progress

SUMMARY

The Annamite team has generate an exploration target that they could stand behind over the 6km Sokdee porphyry Cu-Au-Mo trend in Laos.

This feels very much like the early days of the subsequently world class discoveries on the 5km Cadia trend, the 4km Red Chris trend, and the 12km trend at Oyu Tolgoi.

The limited drilling to date has intersected ore grade porphyry Cu-Au-Mo mineralisation, proving that the system has legs.

ORGANISATIONAL STRUCTURE

Operations have a relatively flat structure. Three Lao geotechs on a rotating roster are supported by local labour. An Australian expat independent consultant acting as Chief Geologist provided support throughout 2023. A Project Manager was recruited in April and served his probation until May, after which his tenure was terminated and the consultant covered the role in an acting capacity for the remainder of 2023. A Thai senior geologist was hired in July after an Indonesian national geologist resigned.

CHALLENGES AND LESSONS LEARNED

The Project Manager position is still vacant. Until the position is filled, the independent consultant acting as Chief Geologist and the Thai senior geologist provide site coverage. Geotechs are now proficient in specific gravity (SG) and portable x-ray fluorescence (pXRF) measurements.



Core drilling in the 2023 wet season encountered difficulties with site access due to a lack of preparedness. In turn due to a lack of timely funding. Future funding needs to be granted well in advance of the wet season, and the drill rig should not be mobilised until site access has been prepared.

HEALTH AND SAFETY PERFORMANCE

Geochemistry sampling, trenching, percussion drilling and core drilling all completed without a lost time injury.

GOOD INTERNATIONAL INDUSTRY PRACTICE (GIIP)

We exercise the same professional skill, diligence, prudence and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally and regionally.

FUTURE PLANS AND GOALS

A strategic operational goal for 2024 in to progress open-pittable fast-track gold potential at Spine, Palm, Namthom, Mouk and Boundary. If enough funds are raised we will consider drill-testing at depth a few of the porphyry targets.



Environmental, Social and Governance (ESG) Achievements

OUR ESG PRINCIPLES

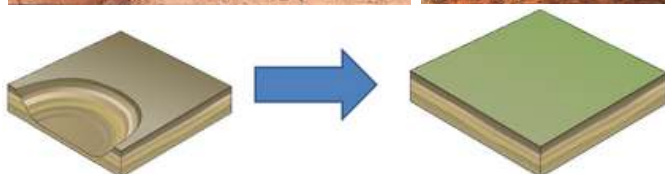
- **Environmental Stewardship:** upholding the highest environmental standards, minimizing environmental footprint through innovative practices, and preserving biodiversity and water resources as well as ecosystem services.
- **Social Responsibility:** fostering transparency, engagement, and collaboration with all stakeholders, with a focus on local communities living around our exploration areas. We want to be a force for good in the communities where we operate.
- **Health, Safety, and Well-being:** prioritising the health, safety, and well-being of employees and local communities, implementing comprehensive health and safety protocols, and mitigating risks through vigilance and proactive measures.
- **Governance:** Commitment to ethical business practices, including human rights, and labor standards, and implementing a comprehensive governance framework.

At Annamite Resources, our commitment to environmental stewardship, social responsibility and governance isn't just a corporate obligation - a deeply ingrained value guiding every facet of our work. As a leading explorer in Laos, we recognize the profound impact our exploration activities can have on local communities and the natural environment. That's why we've made it our mission to not only minimize our footprint but also to leave a positive legacy wherever we operate.

Environmental Stewardship

Preserving the natural environment is a responsibility we take very seriously. We understand the importance of safeguarding biodiversity, protecting water resources and air quality, and mitigating the impacts of our exploration activities on ecosystems. That's why we adhere to the highest environmental standards such as the IFC Performance Standards and continually seek innovative ways to minimize our environmental footprint.

From employing state-of-the-art technologies to implementing rigorous reclamation and restoration practices, we are committed to leaving the land better than we found it. Through ongoing monitoring and collaboration with environmental experts, we ensure that our operations are conducted in a manner that respects and preserves the delicate balance of nature.



SOCIAL RESPONSIBILITY

Our commitment to social responsibility remains steadfast. We will continue to engage with all stakeholders on a regular basis, listening to their concerns, and adapt our practices to reflect their needs. We understand well how important it is to improve livelihoods in villages around our exploration areas. We provide training to help fostering local economic development. Through collaboration, innovation, and a relentless focus on continuous improvement with local communities, we will continue to raise the bar for responsible resource development.



PRIORITIZING HEALTH, SAFETY AND WELL-BEING

The health, safety and well-being of our workforce and local communities are paramount. We have implemented comprehensive health and safety protocols to ensure a safe working environment for all employees, contractors, and visitors. From rigorous training programs to regular safety assessments and health check-ups, we empower our team members to prioritize Health, Safety and Environmental (HSE) issues at every turn. Our proactive approach to health and safety management not only fosters a culture of care and accountability but also enhances overall productivity and performance.



GOVERNANCE PRACTICES

Ethical conduct is non-negotiable. We operate with integrity, honesty, and fairness in all our dealings, both internally and externally. Our commitment to upholding human rights, labor standards, transparency on payments to Government is unwavering. We strive to set an example for responsible business practices within the mining industry in Laos.

We have developed a Sustainability Strategy covering all EGS aspects that is embedded in all the work we do at Annamite. The Board of Directors regularly follows the implementation of our strategy. Identifying and mitigating risks is essential in our business. We remain vigilant in assessing potential hazards and implementing robust risk management strategies to prevent incidents and accidents.

With a full-time Community Relations Officer (CRO) employed from July 2023 onwards, we were able to make significant progress during the year 2023 at the Sokdee project on stakeholder engagement, disclosure of information, land access, and community support.

Through regular inspections, audits, and continuous improvement initiatives, we strive to minimize operational risks and maintain the highest standards of safety excellence. Our proactive risk mitigation efforts are integral to ensuring the well-being of our workforce and the communities in which we operate.



NEXT STEPS

- **Continued Engagement and Collaboration**
Maintain and improve during 2024 stakeholder consultations, adapt practices to reflect community needs, and cultivate mutually beneficial relationships grounded in respect, integrity, and shared prosperity.
- **Enhanced Risk Management:**
Implement robust risk management strategies, conduct regular inspections and audits, and strive to minimize operational risks to ensure the well-being of the workforce and communities.
- **Ongoing Environmental Stewardship:**
Continue employing cutting-edge technologies, stringent reclamation practices, and continuous water, air quality and biodiversity monitoring to minimize environmental impacts and foster ecosystem resilience.
- **Sustainable Community Development:**
Further invest in community development projects, support local initiatives, and actively involve the community in decision-making processes to create a positive and enduring legacy.

Captured during our f2023 First Aid Training session, the photo below depicts Ban Navay Camp personnel and community representatives fully engaged in learning essential life-saving skills. Amidst a backdrop of camaraderie and collaboration, participants absorb knowledge and practice techniques vital for emergency response and community well-being. We committed to provide a safe working environment for all.



LAND ACCESS WORK IN 2023

- Completed inspections, impact assessments, and compensation payments to local communities for exploration prospects
- Implementation of Grievance Mechanism
- Appointed District Steering Committee for LHS land access work by Hinherb District Chief
- Conducted initial land inspection with geologist for proposed drilling locations with meetings with all impacted landowners



Project information boards placed in the communities to foster transparency by sharing project details, engaging residents in decision-making processes, educating about exploration processes and impacts, addressing concerns promptly, meeting regulatory requirements, showcasing environmental and social responsibility efforts, and providing a feedback platform. These boards are vital for enhancing transparency, engagement, and collaboration between companies and communities, ensuring informed dialogue and mutual understanding. Our commitment to community health and safety underscores our dedication to HSE standards and collaborative efforts with the community.



FOSTERING COMMUNITY ENGAGEMENT AND COLLABORATION

Central to our Sustainability Strategy and ESG principles is the meaningful engagement and collaboration with local communities. We recognize the importance of building trust, fostering dialogue, and addressing community concerns proactively. Through transparent communication, regular stakeholder consultations, and community development initiatives, we strive to cultivate mutually beneficial relationships grounded in respect, integrity, and shared prosperity. Our commitment to social responsibility extends beyond regulatory compliance; it is a fundamental aspect of our corporate ethos.

WE HAVE DEVELOPED THE FOLLOWING INITIAL STEPS DURING 2023-23:

1. Risk Management Plan
 - a. The Risk Management Plan (RMP) is intended to cover ongoing exploration activity on the Sokdee Project (Hinherb tenement block), specifically at Mouk prospect. The RMP for Sokdee Project rests on Risk Assessments for:
 2. Vehicular Travel (on & off Sokdee Project);
 3. Camping (off Sokdee Project);
 4. Road & Drill Site Preparation;
 5. Drilling PQ-HQ-NQ core holes to 500 m [Core Drilling];
 6. Retrieval of Core from Drill Rig & Marking Up Core & Core Cutting (on & off Sokdee Project); and
 7. First Aid Training.

This initiative goes beyond crew safety, aiming to create a safer environment for all near our exploration site. We've trained our team and involved educators and community leaders, emphasizing collaborative progress. Given the unpredictable nature of exploration, we prioritize equipping our team with life-saving skills like CPR and wound care, recognizing that seconds matter in emergencies. By extending these skills to the local community, we foster resilience and solidarity, aligning with our broader mission to enhance community well-being and environmental health.

CHAMPIONING ENVIRONMENTAL STEWARDSHIP

Preserving the natural environment is a paramount commitment for our exploration company. We deeply understand the significance of conserving biodiversity, safeguarding water resources and air quality, and mitigating the ecological impacts of our activities. We uphold stringent environmental standards and continually explore innovative methods to reduce our environmental footprint.

We integrate environmental considerations into every decision-making process, aspiring to leave behind a positive and enduring legacy for generations to come.



Nurturing Local Communities, Protecting the Natural Environment

PROTECTING THE NATURAL ENVIRONMENT

During our exploration activities we take all necessary actions to minimize our footprint, avoid any contamination of water resources, use as less as possible surface water, reduce air emissions in particular dust, and conserve biodiversity as well as protect ecosystems. Reducing our environmental footprint is key, in particular land take, water resources, air quality and biodiversity. We monitor closely the biophysical and ecological impacts of our activities.

We uphold stringent environmental standards and continually explore innovative methods to minimize our impacts on the natural environment.

EMPOWERING COMMUNITIES

Central to our approach is the empowerment of local communities. We firmly believe that our success is intertwined with the well-being of the people who call these areas home. Through meaningful engagement, we strive to build strong relationships based on trust, transparency, and mutual respect



One way we support communities is through community development initiatives. Whether it's investing in education, healthcare, or infrastructure, we are dedicated to enhancing the quality of life for those in the areas where we operate. By creating economic opportunities and fostering entrepreneurship, we empower individuals to shape their own futures.



The company employs locals from villages around our Sokdee project:

- Positions: cook, housekeeper, driver, administrative office, and casual workers.
- On purchasing goods and food locally to support better income in the area where we operate.

We participate actively in events organised by villages and schools, using it as an opportunity to explain our work on the ground.

COMMUNITY DEVELOPMENT PROJECTS IN 2023

- Built 2 restrooms at Namthom village Elementary School
- Donated sports equipment, and held sports events at Namxam High School
- Improved Namthom bridge and plan constructed of Mouk bridge in 2024
- Donated a printer to Mouk village
- Donated clothes to 6 families in Namthom village
- Supported village annual meetings
- Supported water pump electric control box for Navay village



- Repaired damaged road in Namthom and Mouk villages rural tracks network
- Reported to District governor and concerned office for company activities
- First Aid training attended by Naxam school, Navay village, and Namthom village with the company



2023 Financial Position and Liquidity

Priority is Money In The Ground

Annamite Resources maintained a solid financial position throughout the financial year 2023, supported by prudent financial planning and disciplined exploration spending. Despite difficult market conditions, we have fortified our resilience against market volatility and economic uncertainties.

Funding received from Investors during 2023 equal US\$ 1,445,300. Funds per the Option Agreement signed with Rio Tinto provided an extra US\$660,000. Total spending by the three corporate entities namely Annamite Resources Holdings (ARH), Annamite Resources Laos (ARL) and Lao Hyundai Blackstone (LHBS) is US\$ 1,965,043 (table on the right).

The Finance Team has set up and implemented a tracking system of costs by departments as well as by projects. In addition, budgeting by departments and projects are now in place for better variance analysis and continuous improvement purposes. Besides, cashflow forecasting mechanism was established to better manage and plan for incoming and outgoing fund flows, with up to six month's rolling forecast of cash position.

Compared to FY 2022 spending of USD979k, FY 2023 expenses of LHBS have already exceeded USD1.5m mainly due to the intensified exploration works being carried out for Sokdee project since mid-2023.

Total land rent, funds and fees paid to Government of Lao PDR (GOL) between 2013-2022, including penalties for arrears are presented below in table below.

Summary of Payments done by Annamite and Partners to GOL in US\$	
Total Arrears 2013-2021 Paid	563,000
Share Transfer Tax	19,500
Security Deposit MPI	50,000
Total Arrears 2021-2022 Paid	237,988
TOTAL	870,659

SOKDEE PROJECT EXPENSES AS OF 31 DECEMBER 2023

Account	FY 2023	FY 2022	FY 2021	Sokdee - to-date Dec 2023
Total spending by Annamite	112,441	65,230		177,672
Total LHBS Operating Expenses	88,937	393,780		482,717
Exploration costs - Sokdee	1,282,489	520,249	563,171	2,365,909
Total Expenses + Exploration Costs	1,483,868	979,259	563,171	3,026,297
10% Overheads Annamite (ARH & ARL)	148,387	97,926	56,317	302,630
TOTAL SPENDING SOKDEE	1,632,254	1,077,185	619,488	3,328,927

ARH (US\$)	FY 2023
Operating Expenses - Actual	242,070
Operating Expenses - Budget	249,252
<i>Variance: ACT - BGT</i>	- 7,182.
Project Expenses - Actual	4,395
Project Expenses - Budget	-
<i>Variance: ACT - BGT</i>	- 4,395
Cash Balances	43,297
Funds Required	-
Investment Funds Received	1,445,300

ARL (US\$)	FY 2023
Operating Expenses - Actual	199,565
Operating Expenses - Budget	169,511
<i>Variance: ACT - BGT</i>	- 30,054
Project Expenses - Actual	35,146
Project Expenses - Budget	-
<i>Variance: ACT - BGT</i>	35,146
Cash Balances	6,794

LHBS (US\$)	FY 2023
Operating Expenses - Actual	201,378
Operating Expenses - Budget	189,362
<i>Variance: ACT - BGT</i>	- 12,016
Project Expenses - Actual	1,282,489
Project Expenses - Budget	1,665,504
<i>Variance: ACT - BGT</i>	- 383,015
Cash Balances	20,363

Annamite Resources' 2023 financial performance reflects our resilience, agility, and commitment to spend "Money In the Ground" for professional and modern exploration with a focus on adding value for our shareholders while working sustainably.

Building Relationships in Laos

Establishing the Social License to Operate

Annamite Resources is a first mover in Laos and the only established international junior explorer there, following a 15-year absence of modern exploration in the country, Annamite is moving the first of potentially three projects up the value curve with the right mix of skills.

GOVERNMENT AFFAIRS

At the field level in Hinherb District, the coordination to facilitate field operations is done by two Government officers present every day to monitor our exploration activities and to facilitate the work. Annamite reports periodically on his work to the relevant Government entities sectors, including to geologists from various regional and national departments of MEM and MPI located in Phomhong and Vientiane.



Annamite has been working closely with Lao PDR Government departments since the inception of our company in Laos in 2020. We ensure that we attend all the meetings requested, keep record of all discussions and we keep updates of new regulations and other legal documents from MEM and MPI, as well as other legal documents required for work in Laos.

During 2023, we have specially followed up on the notices from the Prime Minister Office on not approving any new exploration or mining concession and the focus of the Government on quality exploration work, otherwise the licence will be cancelled. It allows Annamite to proving the high quality exploration work done in accordance with Good International Industry Practice (GIIP).

PARTNER RELATIONS

We signed an option agreement on Sokdee with Rio Tinto on 6 July 2023. During 2023, Annamite carried out the exploration with Rio paying for the exploration costs. Rio's injection of funds during 2023 has allowed Annamite to explore Sokdee last year at a much faster pace and more comprehensively than Annamite could have done solely from private investor funds.

On 1st August 2023, we have signed a Memorandum of Understanding (MoU) with Douangchaleun Development Construction Group (DDC) to establish a Joint Venture Agreement ("JVA") on exploration and mining, including technical knowledge and data exchange on the exploration license for precious and base metals (originally for coal) in Sangthong and Hinherb districts, consisting of a 148 sq.km concession named "Vangma" next to the south of the Sokdee project.

Annamite is in active discussion since November 2023 with Kham Houng Minerals (KHM) to securing an attractive project in Xaysomboun Province, Northern/Western Laos named "Kham Houng". It is a 182 sq.km concession located next to Phu Bia mines.

We have local support with strong business and government ties, having secured 32% of our shareholders in country. Our solid base of Lao shareholders is key to securing licenses and building relationships with all stakeholders.



Milestones and Achievements with Annamite Resources

In 2023 Annamite faced considerable challenges but continued to make substantial exploration progress. We achieved this by conducting metals exploration in a manner that unlocks value for shareholders, the local community, and ultimately for the country of Laos.

We prioritise operational excellence to ensure the safety, efficiency, and stewardship of our exploration projects. Risk management and continuous improvement helps Annamite gaining positive project outcomes while mitigating geological and community risks.

We thank to all our shareholders, whose trust and confidence in our company have been key to our continued progress.

I would like to express my appreciation to our dedicated team of professionals, who have achieved so much in 2023 and in the previous years since our inception in 2019.

Our strong partnerships with local communities, governments, and other stakeholders has been key to our success and creating lasting positive impacts on the environment and society.

At Annamite Resources, we are committed to embracing change, driving innovation, and leading by example in promoting responsible exploration and mining practices.

The Board of Directors, the Senior Management team and the team reaffirm our commitment to our core values of integrity, sustainability, and excellence.

Thank you once again for your unwavering support and dedication to Annamite Resources.

