

OZZ RESOURCES LIMITED

ABN 98 643 844 544

FINANCIAL REPORT

31 December 2020

FINANCIAL REPORT

ABN 98 643 844 544

31 December 2020

Corporate directory

Current Directors

Alan Lockett Non-Executive Chairman
Jonathan Lea Managing Director
Brian McNab Non-Executive Director

Company Secretary

Stuart Usher

Registered Office

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Email: admin@ozzresources.com.au

Website: www.ozzresources.com.au

Auditors

Bentleys Audit & Corporate (WA) Pty Ltd

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Share Registry

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FINANCIAL REPORT

31 December 2020

OZZ RESOURCES LIMITED

ABN 98 643 844 544

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Directors' report

Your Directors present their report on the Company, Ozz Resources Limited (Ozz Resources or the Company) for the period from incorporation (27 August 2020) to 31 December 2020.

Ozz Resources in the processed of applying to listed on the Australian Securities Exchange.

1. Directors

The names of Directors in office at any time during or since the end of the half-year are:

Alan LockettNon-Executive Chairman(Appointed on 27 August 2020)Jonathan LeaManaging Director(Appointed on 27 August 2020)Brian McNabNon-Executive Director(Appointed on 1 December 2020)

Kurt Kozyrski Non-Executive Director (Appointed on 30 September 2020, resigned 14 December 2020)

(collectively the Directors or the Board)

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

2. Operating and financial review

2.1. Nature of Operations Principal Activities

The Company was incorporated as an unlisted public company limited by shares on 27 August 2020 for the purpose of establishing and listing an Australian exploration company.

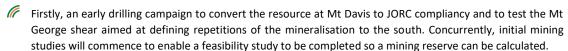
2.2. Operations Review

a. Exploration summary

(1) Mt Davis Project (farm-in up to 80%)

The Mt Davis Project is comprised of five granted prospecting licenses (PL's 37/8634, 37/8635, 37/8636, 37/8637 and 37/8638) and two contiguous prospecting license applications PLA's 37/9349 and 37/9350). The granted prospecting license are covered by Mining lease application MLA 37/1352). The area covered by the tenure is 1216Ha and the project is located approximately 20km north of Leonora adjacent to the Goldfields Highway.

With two significant mineralised faults covered by the tenements the Company's exploration strategy for the Mount Davis Project has two main objectives.



Secondly, the Clifford Fault and remaining areas of the tenements need to be evaluated and subsequently drill tested as warranted. Following the assessment of existing data, mapping, geophysical and geochemical programmes will be implemented as necessary to identify targets for drill testing.

(2) Peterwangy Project (farm-in up to 76%)

The Peterwangy Project comprises one granted exploration license (E70/5124) and one Exploration License application (ELA70/5691) covering 13 blocks for a total area of 4440 Ha, located in the Mid-West region of Western Australia. The granted EL is held by Provident Mining Pty Ltd (Provident) and a majority interest is to be transferred to Ozz under a commercial arrangement. The ELA is owned totally by the Company. The Project is located approximately 100 km east of the port of Geraldton and 40 km south east of the town of Mullewa, 350 km north of Perth, Western Australia (Figure 1.1). Access from the west is via the Mullewa-Mingenew Road and from the east via the Mullewa-Wubin Road and then by several unsealed farm tracks.

The combination of the two exploration licenses provides an opportunity to complete semi-regional programmes to assess the overall potential completion of aeromagnetic survey is planned to obtain complete data coverage over both licenses as a priority, followed by a more targeted geochemical sampling programme. Targets generated from this work will be drilled along with the currently defined anomalies. More regionally, first pass drilling elsewhere on the greenstone belt or fault targets will better assess areas under cover.

(3) Maguires Reward Project (100%)

The Company's Maguires Reward Project is comprised of a single prospecting license (PL 20/2318) covering an area of 200Ha. The project is located in the Central Murchison area approximately 50km north of the major mining centre of Cue. Access is via the Great Northern Highway and well-developed secondary roads.

Directors' report

The potential to rapidly define a JORC compliant resource for Old Prospect and possibly Maguires Reward will drive an immediate drill programme on the project. Drilling approvals are in place and drilling anticipated in April/May 2021. Simultaneously, initial mining studies will commence to enable a feasibility study to be completed so a mining reserve can be calculated.

(4) Wardarbie South Project (80%)

The Company's Wardarbie South Project is comprised of a three prospecting licenses (P 51/3025, P 51/3026 and P 51/3027) covering an area of 600Ha. The project is located in the Central Murchison area approximately 75km northwest of the major mining centre of Meekatharra. Access is via the Gascoyne Junction Road and station tracks.

Only limited work has been completed on the tenement and hence it is a grass roots project. Following data compilation, geophysical surveys are planned to better define the structural corridors under the extensive alluvial cover. RAB or aircore drilling programmes will be necessary to define anomalous geochemistry; particularly focussed on any geophysical targets and the sheared lithological contacts. RC drilling will be used to test encouraging gold anomalism defined by these programmes.

(5) Rabbit Bore Project (80%)

The Company's Rabbit Bore Project is comprised of a single exploration license (E51/1671) covering an area of 2100Ha. The project is located in the Central Murchison area approximately 55km north of the major mining centre at Cue. The Great Northern Highway is located 25km to the east linked by station tracks.

The gold mineralisation requires initial drill testing to better understand the geometry of the mineralisation. Recent interpretation suggests an east-west striking and shallow north dipping orientation that is parallel with the nearby cross-cutting dolerite dyke. Once the orientation is confirmed more detailed drilling will be used to define any potential mineralisation. To evaluate for the base metal potential geophysical programmes will be utilised as a targeting tool in conjunction with existing geochemical results for subsequent drill programmes.

2.3. Financial Review

a. Operating results

For the period 27 August 2020 to 31 December 2020 the Company delivered a loss before tax of \$214,645 and a net operating cash out-flow of \$213,300.

b. Financial position

The net assets of the Company have increased from incorporation to \$146,682 at 31 December 2020.

As at 31 December 2020, the Company's cash and cash equivalents increased to \$146,477 and it had a working capital position of \$146,682.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors are satisfied that the going concern basis of preparation is appropriate based upon the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

2.4. Impact of COVID-19 Coronavirus

The COVID-19 coronavirus global pandemic has caused significant disruption and restrictions to the movement of people and goods throughout the world. During the height of the pandemic, The Company was incorporate subsequent to the declaration of the pandemic and has implemented prudent business continuity measures which allowed it to continue to develop and establish an exploration Company.

2.5. Events Subsequent to Reporting Date

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements as disclosed in note 8 Events subsequent to reporting date on page 20.

2.6. Future Developments, Prospects and Business Strategies

The Company remains focussed on establishing an exploration company and listing on the Australian Securities Exchange.

Other likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations, not otherwise disclosed in this report, have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

2.7. Environmental Regulations

The Company's exploration assets and operations have not yet been established and are therefore not subject to any significant environmental regulations in the jurisdiction it operates in.

3. Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the period ended 31 December 2020 has been received and can be found on page 4 of the financial report.

This Report of the Directors, is signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).

ALAN LOCKETT

Chairman

Dated this Tuesday, 30 March 2021



ABN 98 643 844 544



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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Ozz Resources Limited for the period ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BenHeys

BENTLEYS

Chartered Accountants

MARK DELAURENTIS CA

Mak Pelagrentes

Partner

Dated at Perth this 30th day of March 2021



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31 December 2020

Statement of profit or loss and other comprehensive income

for the period 27 August 2020 to 31 December 2020

	Note	27 August 2020
		to
		31 December
		2020
		\$
Continuing operations		
Administration expenses	1.1	(5,087)
Compliance costs	1.2	(6,338)
Professional and consulting costs	1.3	(53,665)
Mineral exploration and evaluation costs	1.4	(149,555)
Loss before tax		(214,645)
Income tax expense	2.1	-
Net loss for the year		(214,645)
Other comprehensive income, net of income tax		
Other comprehensive income for the period, net of tax		-
Total comprehensive income attributable to members of the parent entity		(214,645)
Earnings per share:		¢
Basic and diluted loss per share (cents per share)	13.4	(1.835)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.



Statement of financial position

as at 31 December 2020

	Note	31 December 2020 \$
Current assets		
Cash and cash equivalents	3.1	146,477
Trade and other receivables	3.2.1	14,908
Total current assets		161,385
Total assets		161,385
Current liabilities		
Trade and other payables	3.3.1	14,703
Total current liabilities		14,703
Total liabilities		14,703
Net assets		146,682
Equity		
Issued capital	4.1.1	361,327
Accumulated losses		(214,645)
Total equity		146,682

The statement of financial position is to be read in conjunction with the accompanying notes.



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Statement of changes in equity

for the period 27 August 2020 to 31 December 2020

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance on incorporation 27 August 2020		2	-	2
Loss for the year attributable to the owners of the parent		-	(214,645)	(214,645)
Other comprehensive income for the period attributable to the owners of the parent		-	-	-
Total comprehensive income for the period attributable to the owners of the parent		-	(214,645)	(214,645)
Transaction with owners, directly in equity				
Shares issued during the period (net of costs)	4.1.1	361,325	-	361,325
Balance at 31 December 2020		361,327	(214,645)	146,682

The statement of changes in equity is to be read in conjunction with the accompanying notes.



FINANCIAL REPORT

31 December 2020

Statement of cash flows

for the period 27 August 2020 to 31 December 2020

Note	
	to 31 December
	2020
	\$
Cash flows from operating activities	
Payments to suppliers and employees	(78,035)
Payments for exploration and evaluation	(135,265)
Net cash used in operating activities 3.1.2	(213,300)
Cash flows from investing activities	
Net cash used in investing activities	-
Cash flows from financing activities	
Proceeds from issue of shares	359,777
Net cash provided by financing activities	359,777
Net increase in cash and cash equivalents held	146,477
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period 3.1	146,477

 $\label{thm:conjunction} \textit{The statement of cash flows is to be read in conjunction with the accompanying notes.}$



Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

In preparing the 31 December 2020 financial statements, Ozz Resources Limited has grouped notes into sections under five key categories:

Section A: How the numbers are calculated	10
Section B: Risk	17
Section C: Unrecognised items	20
Section D: Other Information	21

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The presentation is supported by the IASB's Disclosure Initiative. As part of this project, the AASB made amendments to AASB 101 *Presentation of Financial Statements* which have provided preparers with more flexibility in presenting the information in their financial reports.

The financial statements are presented in Australian dollars, except where otherwise stated.



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Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

- (a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction.
- (b) analysis and sub-totals.
- (c) information about estimates and judgements made in relation to particular items.

Note	1 Loss before income tax	27 August 2020 to
		31 December
		2020 \$
	llowing significant revenue and expense items are relevant in explaining the ial performance:	
1.1	Administration expenses	
	Computers and communications	1,916
	Travel expenses	1,628
	Other	1,543
	iii Other	
		5,087
1.2	Compliance costs	
	Exchange fees	5,000
	Regulator fees	591
	Share registry fees	747
		6,338
1.3	Professional and consulting costs	
	Legal fees	30,000
	Marketing consultants	3,665
	Other consultants	20,000
		53,665
1.4	Mineral exploration and evaluation costs	
	Balance at the beginning of the period	-
	Acquisition costs - tenements	95,000
	Geological consulting	50,931
	Tenement consulting	3,624
		149,555
		1,100

1.4.1 Accounting Policy

a. Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licenses, are expensed as exploration and evaluation expenditure as incurred.

FINANCIAL REPORT

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note	2 Income tax		27 August 2020 to 31 December 2020 \$
2.1	Income tax expense		
	Current tax		-
	Deferred tax		-
	Deferred income tax expense included in income tax expense comprises:		-
	■ Increase / (decrease) in deferred tax assets	2.5	-
	■ (Increase) / decrease in deferred tax liabilities		-
			-
2.2	Reconciliation of income tax expense to prima facie tax payable		
	The prima facie tax payable/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
	Accounting loss before tax		(214,645)
	Prima facie tax on operating loss at 26.0%		(55,808)
	Add / (Less) tax effect of:		
	☐ Other non-deductible expenses / (non-assessable income)		-
	☐ Other temporary differences not recognised		55,808
	Income tax expense/(benefit) attributable to operating loss		-
			%
2.3	The applicable weighted average effective tax rates attributable to operating profit are as follows:		-
2.4	Balance of franking account at year end of the parent		nil



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Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note	2 Income tax (cont.)	31 December 2020 \$
2.5	Deferred tax assets	
	Tax losses	55,808
		55,808
	Set-off deferred tax liabilities	-
	Net deferred tax assets	55,808
	Less deferred tax assets not recognised	(55,808)
	Net deferred tax assets	-
2.6	Tax losses and deductible temporary differences	
	Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:	
	■ Tax losses	55,808
		55,808

Potential deferred tax assets attributable to tax losses have not been brought to account at 31 December 2020 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- i. the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- ii. the Company continues to comply with conditions for deductibility imposed by law; and
- iii. no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss.

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates consider both the financial performance and position of the Company as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

The company has accumulated tax losses of \$214,645 which are expected to be available indefinitely for offset against future taxable profits of the Company in which the losses arose. The recoupment of these losses is subject to assessment of the Australian Taxation Office.

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 2 Income tax (cont.)

2.7 Accounting policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Where the Company receives the Australian Government's Research and Development Tax Incentive, the Company accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return.



27 August 2020

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Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 3 Financial assets and financial liabilities

3.1	Cash and cash equivalents	31 December
	•	2020
		\$
	Cash at bank	146,477
		146,477

3.1.1 The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 5 Financial risk management.

3.1.2	Cash Flow Information	to 31 December 2020 \$
	a. Reconciliation of cash flow from operations to loss after income tax	
	Loss after income tax	(214,645)
	Cash flows excluded from loss attributable to operating activities	
	Non-cash flows in loss from ordinary activities:	-
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:	
	(Increase) in receivables	(13,358)
	Increase in payables	14,703
	Cash flow used in from operations	(213,300)

3.1.3 Accounting policy

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 3 Financial assets and financial liabilities (cont.)

3.2	Trade and other receivables	Note	31 December 2020 \$
3.2.1	Current		
	Goods and Services Tax receivable		13,358
	Other receivables		1,550
			14,908

3.2.2 The Company's exposure to credit rate risk is disclosed in Note 5 Financial risk management.

3.2.3 Accounting policy

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from prepaid or cash on delivery to 60 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

3.3 Trade and other payables

3.3.1 **Current**Unsecured

Trade payables

31 December	
2020	
\$	
14,703	
14,703	
	_

- 3.3.2 Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.
- 3.3.3 The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note.

3.3.4 Accounting policy

a. Trade and other payables

Trade other payables are recognised initially at fair value and subsequently at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Amounts are unsecured, non-interest bearing, and usually settled within the lower of terms of trade or 60 days.



Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 4 Equity			
4.1 Issued capital	31 December 2020 No.	31 December 2020 \$	
Fully paid ordinary shares at no par value	18,325,002 27 August 2020 to	361,327 27 August 2020 to	
4.1.1 Ordinary shares	31 December 2020 No.	31 December 2020 \$	
At the beginning of the period Shares issued during the period:	-	-	
27.08.20 Incorporation issue 02.10.20 Promoter issue 27.10.20 Seed capital issue	2 11,325,000 7,000,000	11,325 350,000	
At reporting date	18,325,002	361,327	

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

4.1.3 Accounting policy

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

4.2	Options	31 December	31 December
	•	2020	2020
		No.	\$
	Options	18,325,000	-
		27 August 2020	27 August 2020
		to	to
		31 December	31 December
		2020	2020
		No.	\$
	At the beginning of the year	-	-
	Options movement during the year:		
	02.10.20 Promoter issue	11,325,000	-
	77.10.20 Seed capital issue	7,000,000	-
	At reporting date	18,325,000	-

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

SECTION B. RISK

This section of the notes discusses the Company's exposure to various risks and shows how these could affect the Company's financial position and performance.

Note 5 Financial risk management

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Company's financial instruments consist mainly of deposits with banks, and accounts payable and receivable.

The Company does not speculate in the trading of financial instruments or derivative instruments.

A summary of the Company's financial assets and liabilities, measured in accordance with AASB9 *Financial Instruments* as detailed in the accounting policies, is shown below:

	Floating Interest	Fixed Interest	Non- interest	31 December 2020
	Rate	Rate	Bearing	Total
	\$	\$	\$	\$
Financial Assets				
☐ Cash and cash equivalents	146,477	-	-	146,477
☐ Trade and other receivables	-	-	14,908	14,908
Total Financial Assets	146,477	-	14,908	161,385
Financial Liabilities				
Financial liabilities at amortised cost				
\square Trade and other payables	-	-	14,703	14,703
Total Financial Liabilities	-	-	14,703	14,703
Net Financial Assets	146,477	-	205	146,682

5.1 Financial Risk Management Policies

The Boards overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements. Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance.

5.2 Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk. However, the sole material risk at the present stage of the Company is liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing risks for the Company and setting appropriate risk limits and controls. The Company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.



Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 5 Financial risk management (cont.)

5.2.1 Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material credit risk.

5.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Company include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

Contractual Maturities

The following are the contractual maturities of financial assets and liabilities of the Company:

Financial liabilities due for payment
Trade and other payables
Total contractual outflows
Financial assets
Cash and cash equivalents
Trade and other receivables
Total anticipated inflows
Net inflow on financial instruments

Within	Greater Than	
1 Year	1 Year	Total
31 December	31 December	31 December
2020	2020	2020
\$	\$	\$
14,703	-	14,703
14,703	-	14,703
146,477	-	146,477
14,908	-	14,908
161,385	-	161,385
146,682	-	146,682

Cash flows realised from financial instruments reflect management's expectation as to the timing of realisation timing may therefore differ from that disclosed. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

5.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material credit risk.

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 5 Financial risk management (cont.)

5.2.4 Sensitivity Analyses

Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material financial risk sensitivities.

5.2.5 Net Fair Values

a. Fair value estimation

The fair values of financial assets and financial liabilities are presented in the table in Note 5 and can be compared to their carrying values as presented in the 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. The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

Cash and cash equivalents;

Trade and other receivables; and

Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

Note 6 Capital Management

6.1 Capital

The Directors' objectives when managing capital are to ensure that the Company can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short-term commitments. It does this by ensuring that its current ratio (current assets divided by current liabilities) remains in excess of 1:1.

31 December 2020

Current ratio 10.98

Due to the nature of the Company's activities, being mineral exploration and pre-IPO, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Company is not subject to externally imposed capital requirements.

6.2 Working Capital

The working capital position of the Company was as follows:	Note	31 December 2020 \$
Cash and cash equivalents	3.1	146,477
Trade and other receivables	3.2	14,908
Trade and other payables	3.3	(14,703)
Working capital position		146,682



31 December 2020

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

SECTION C. UNRECOGNISED ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 7 Contingent liabilities

7.1 Tenement Acquisition Agreement

7.1.1 Maguires Project

Tenement holder Ms Diane Kaye Findlay has agreed to sell her 100% interest in P20/2318 for \$125,000 in cash (of which \$25,000 has been paid and the balance is payable upon settlement), 1,000,000 Shares at a deemed issue price of \$0.20 per Share and 2% net smelter return royalty.

Note 8 Events subsequent to reporting date

8.1 Tenement Acquisition Agreements

8.1.1 Wardarbie South Project

On 12 March 2021, the Company entered a Sale and Joint Venture agreement with Gelignite Resources Pty Ltd (**Gelignite**) whereby Gelignite has agreed to sell 80% of its interest in the three prospecting licenses that comprise the Wardarbie South Project in exchange for 1,450,000 Shares, 1,450,000 options exercisable at \$0.25 within 4 years after the date the options are issued, and a 1% net smelter return (**NSR**) royalty on all future production. The association will take the form of a joint venture in which Ozz Resources will have an 80% interest and management rights and fully fund all expenditure until a decision to mine is made.

8.1.2 Rabbit Bore Project

On 12 March 2021, the Company entered a Sale and Joint Venture agreement with Diversified Asset Holdings Pty Ltd (**DAH**), whereby DH has agreed to sell 80% of its interest in the Exploration License, E51/1671 that comprises the Rabbit Bore Project in exchange for \$10,000 in cash (which has been paid), 1,150,000 Shares, 1,150,000 options exercisable at \$0.25 within 4 years after the date the options are issued, and a 1% NSR royalty on all future production. The association will take the form of a joint venture in which Ozz Resources will have an 80% interest and management rights and fully fund all expenditure until a decision to mine is made.

8.1.3 Mt Davis Project

On 18 March 2021, the Company entered a Farm-in and Joint Venture agreement with Mr Tanvanth Singh Sandhu, in respect to tenements P37/8634, P37/8635, P37/8636, P37/8637 and P37/8638 and in prospecting licence applications 37/9349 and 37/9350, to earn a 51% project interest by sole funding expenditure of \$650,000 within 2 years. The Company has a right to complete a feasibility study within 5 years to earn 80% project interest.

8.1.4 Peterwangy Project

On 19 March 2021, the Company entered a Farm-in and Joint Venture agreement with Provident Mining Pty Ltd to earn a 51% project interest by sole funding expenditure of \$400,000 within 2 years of tenement E70/5114. The Company has a right to complete a feasibility study within 5 years to earn 76% project interest.

8.2 Loan Agreement

On 22 March 2021 the Company entered into a short-term loan agreement with an unrelated third-party, to provide \$50,000 in short-term funding for the listing of the Company. The loan will be repayable in full, plus \$5,000, within seven days of listing on the ASX, on or about 14 May 2021.

8.3 Share Consolidation

On 8 March 2021, shareholders approved the consolidation of the existing shares and options in the Company on a 2.3 for 4 basis. The effect of the consolidation was the reduction of shares from 18,325,002 to 10,536,875, and options from 18,325,002 to 10,536,875.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Note 9 Commitments

9.1 Capital commitments

The Company has no material commitments as at 31 December 2020.

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

SECTION D. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 10 Key Management Personnel (KMP)

The names and positions of KMP are as follows:

Directors

Alan Lockett Non-Executive Chairman (Appointed on 27 August 2020)
 Jonathan Lea Managing Director (Appointed on 27 August 2020)
 Brian McNab Non-Executive Director (Appointed on 1 December 2020)

Kurt Kozyrski Non-Executive Director (Appointed on 30 September 2020, resigned 14 December 2020)

Other key management

Stuart Usher Chief Financial Officer and Company Secretary

Note 11 Related party transactions

The Company may enter into agreements for services rendered with individuals (or an entity that is associated with the individuals) during the ordinary course of business.

A number of entities associated with the Directors and select technical staff have consulting agreements in place which have resulted in transactions between the Company and those entities during the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

Entity	Nature of transactions	КМР	Total Transactions 27 August 2020 to 31 December 2020 \$	Payable Balance 31 December 2020 \$
Alan Lockett	Expense Allowance	Director	1,000	-
Dragon Pty Ltd	Consulting fees	Alan Lockett	10,800	-
Kokoda Holdings Pty Ltd	Consulting fees and reimbursement	Alan Lockett	12,000	-
Gleason Family Trust (Lea Consulting)	Geological consulting and reimbursement	Jonathan Lea	26,430	5,679

Note 12 Auditor's remuneration	27 August 2020 to
	31 December 2020
	\$
Remuneration of the auditor, Bentleys Audit & Corporate (WA) Pty Ltd, for:	
Assurance services:	
Auditing or reviewing the financial reports	3,500
	3,500



31 December 2020

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note	13 Earnings per share (EPS)	Note	27 August 2020 to 31 December 2020 \$
13.1	Reconciliation of earnings to profit or loss		
	Loss for the period		(214,645)
	Loss used in the calculation of basic and diluted EPS		(214,645)
			27 August 2020 to 31 December 2020 No.
13.2	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		11,700,399
	Weighted average number of dilutive equity instruments outstanding	13.5	N/A
13.3	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		11,700,399
13.4	Earnings per share		27 August 2020 to 31 December 2020 ¢
	Basic EPS (cents per share)	13.5	(1.835)
	Diluted EPS (cents per share)	13.5	N/A

13.5 As at 31 December 2020 the Company has 18,325,000 unissued shares under options. The Company does not report diluted earnings per share on losses generated by the Company. During the year, the Company's unissued shares under option were anti-dilutive.

13.6 Accounting policy

Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to the Company, adjusted for costs of servicing equity (other than dividends) and preference share dividends; the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Note 14 Operating segments

14.1 Identification of reportable segments

There was only one operating and geographical segment in the period to 31 December 2020, being pre-IPO mineral exploration in Australia.

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 15 Statement of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the periods presented, unless otherwise stated.

15.1 Basis of preparation

15.1.1 Reporting Entity

Ozz Resources Limited (Ozz Resources or the Company) is a listed public company limited by shares, domiciled and incorporated in Australia. These are the financial statements and notes of Ozz Resources and controlled entities (collectively the Company). The financial statements comprise the financial statements of the Company. For the purposes of preparing the financial statements, the Company is a is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

15.1.2 Basis of accounting

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the Corporations Act 2001 (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 30 March 2021 by the Directors of the Company.

15.1.3 Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the year of \$214,645 and a net cash out-flow from operating activities of \$213,300. As at 31 December 2020, the Company working capital of \$146,682, as disclosed in Note 6.2 of the Capital Management note.

During to year end, the Company completed promoter and seed capital raisings amounting to \$361,325. These funds will be utilised by the Company to complete an Initial Public Offer on the Australian Securities Exchange. Based on the factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

15.1.4 Comparative figures

Where required by AASBs comparative figures will be adjusted to conform to changes in presentation for the current financial year.

Where the Company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.



31 December 2020

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 15 Statement of significant accounting policies (cont.)

15.1.5 New and Amended Standards Adopted by the Company

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company are:

- AASB 2018-6 Amendments to Australian Accounting Standards Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2020-4 Amendments to Australian Accounting Standards COVID-19-Related Rent Concessions

15.2 Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

15.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 15.3.1.

15.3.1 Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements 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.

a. Key estimate - Taxation

Refer Note 2 Income Tax.

15.3.2 Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (**COVID-19**) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the supply chain, staffing and geographic region in which the Company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

15.4 Fair Value

15.4.1 Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 15 Statement of significant accounting policies (cont.)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

15.4.2 Fair value hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices	Measurements based on inputs other than	Measurements based on unobservable
(unadjusted) in active markets for	quoted prices included in Level 1 that are	inputs for the asset or liability.
identical assets or liabilities that the	observable for the asset or liability, either	
entity can access at the measurement	directly or indirectly.	
date.		

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company would change the categorisation within the fair value hierarchy only in the following circumstances:

if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (i.e., transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

15.4.3 Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.



FINANCIAL REPORT

31 December 2020 ABN 98 643 844 544

Notes to the financial statements

for the period 27 August 2020 to 31 December 2020

Note 15 Statement of significant accounting policies (cont.)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Note 16 Company details

The registered office of the Company is: Street + Postal: Level 1, 247 Oxford Street LEEDERVILLE WA 6007



Directors' declaration

The Directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 5 to 26, are in accordance with the Corporations Act 2001 (Cth) and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 15.1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 31 December 2020 and of the performance for the period 27 August 2020 to 31 December 2020 on that date of the Company.
- 2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the *Corporations Act 2001* (Cth) and is signed for and on behalf of the directors by:

ALAN LOCKETT

Chairman

Dated this Tuesday, 30 March 2021

Independent Auditor's Report

To the Members of Ozz Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ozz Resources Limited ("the Company"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the Company's financial position as at 31
 December 2020 and of its financial performance for the period then ended;
 and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- the financial report also complies with International Financial Reporting Standards as disclosed in Note 15.1.2.

Basis for Opinion

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

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



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Independent Auditor's Report

To the Members of Ozz Resources Limited (Continued)



Material Uncertainty Related to Going Concern

We draw attention to Note 15.1.3 in the financial report which indicates that the Company incurred a net loss of \$214,645 during the period ended 31 December 2020. As stated in Note 15.1.3, these events or conditions, along with other matters as set forth in Note 15.1.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 15.1.2, the directors also state in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



Independent Auditor's Report

To the Members of Ozz Resources Limited (Continued)



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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that
 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
 effectiveness of the Company'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 Company'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 Company 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 Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company 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.

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



ABN 98 643 844 544

Independent Auditor's Report

To the Members of Ozz Resources Limited (Continued)



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.

BENTLEYS

Chartered Accountants

MARK DELAURENTIS CA

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Partner

Dated at Perth this 30th day of March 2021



