Burley Minerals Ltd

ABN: 44 645 324 992

Financial Report

For the financial period from incorporation and ended

31 March 2021

DIRECTORS

Gary Raymond Powell
George Bauk
Jeff Brill

COMPANY SECRETARY

Bryan Dixon

PRINCIPAL & REGISTERED OFFICE

60 Havelock Street
WEST PERTH WA 6005

AUDITORS

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, London House, 216 St Georges Tce
Perth WA 6000

BANKERS

National Australia Bank
100 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

Your directors present their report on the company for the financial period commencing from incorporation and ended 31 March 2021.

Directors

The names of the directors in office at any time during, or since the end of, the financial period are:

Gary Raymond Powell

George Bauk – resigned 23 April 2021

Bryan Dixon – appointed 1 April 2021

Jeff Brill

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

Review of Operations

The loss of the Company for the financial period after providing for income tax amounted to $398,091.

Significant Changes in the State of Affairs

The Company was incorporated on 29 October 2020 with 1 ordinary fully paid share.

On 11 November 2020 the Company issued 8,000,000 new ordinary fully paid shares in the capital of the Company.

On 24 November 2020 the Company issued 1,750,000 ordinary fully paid shares to Directors and Management at a deemed issue price of $0.08.

On 24 November 2020 the Company issued 8,500,000 options to subscribe for ordinary fully paid shares to Directors and Management.

Other than the above, no significant changes in the Company's state of affairs occurred during the financial period.

Principal Activities

The principal activity of the Company during the financial year was mineral exploration and evaluation activities as well as seeking out further exploration, acquisition and joint venture opportunities.

On 28 October 2020, the Company acquired an option to acquire 70% of the issued capital of Novarange Pty Ltd (**Novarange**) for an option fee of $65,000.

Burley can acquire 70% of the issued capital of Novarange by paying Novarange (or its nominee(s)) $100,000 and issuing 20,000,000 fully paid ordinary shares in Burley prior to Burley Listing on ASX (**Novarange Acquisition**).

Novarange will have a free carried interest in the Yerecoin Project until the completion of a Bankable Feasibility Study, at which time each party will need to fund their proportionate expenditure or dilute under standard dilution clauses accordingly.

The following deferred consideration is also payable to the existing Shareholders by Burley meeting the following milestones in relation to the Project:

a) a total payment of $1,000,000 to the Vendors (and/or their nominees) within 30 Business Days after the completion by Burley of a successful Preliminary Feasibility Study that demonstrates extraction of minerals from the Tenements to be viable under reasonable financial assumptions (**First Deferred Payment**);

DIRECTORS' REPORT

b) a total payment of $1,000,000 to the Vendors (and/or their nominees) within 30 Business Days after the grant of a mining lease under the Mining Act over all of the Iron Ore resource identified within the Tenement Area as at the Commencement Date (**Second Deferred Payment**); and

c) a total payment to the Vendors (and/or their nominees) of $2,500,000 within 30 Business Days after the first occasion of commercial Iron Ore production from the Tenements provided always that if this production milestone is achieved within two (2) years of the Admission Date, this payment will only be payable 30 Business Days after the expiration of that two (2) year period (**Third Deferred Payment**).

The Deferred Payments which may become due and payable pursuant to any of the above milestones must only be satisfied by the issue and allotment of Purchaser Shares to each Vendor and/or its nominee(s).

The number of Purchaser Shares to be issued under this Agreement to satisfy any of the Deferred Payments will be calculated by dividing the amount of the corresponding Deferred Payment by the higher of:

a) the volume weighted average price for Purchaser Shares traded on the ASX over the 15 Trading Days prior to the date on which the payment becomes due and payable; and

b) the Floor Price, being $0.15.

Events Subsequent to the End of the Reporting Period

- On 13 April 2021 the Company issued 1,250,000 new ordinary fully paid shares in the capital of the Company at an issue price of $0.16 to raise a total of $200,000. The shares were issued to existing shareholders and sophisticated investors.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

The Company anticipates the completion of the Novarange Acquisition including the Listing of Burley on ASX.

The Company will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

Environmental Regulation

The Company has a policy of complying with or exceeding its environmental performance obligations. The Board believes that the Company has adequate systems in place for the management of its environmental requirements. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors are not aware of any breach of environmental legislation for the financial year under review.

Related Parties

The Company's main related parties are as follows:

a. **Entities Exercising Control over the Company**

The directors, being Mr George Bauk (resigned 23 April 2021), Mr Bryan Dixon, Mr Jeff Brill and Mr Gary Powell and their controlled entities.

b. **Key Management Personnel**

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

The three continuing directors, as detailed above.

c. **Entities Subject to Significant Influence by the Company**

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

None.

d. **Other Related Parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Transactions with Related Parties

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

The following transactions occurred with related parties:

Consultancy Agreement with Managing Director

Mr Powell's annual remuneration package under the Consultancy Agreement is $250,000 (excluding GST). In addition to the base, Mr Powell is entitled to and has been issued on 24 November 2020 the following Shares and Options:

- 1,000,000 ordinary shares;
- 2 million options with a 30c strike price with a 2 year term from listing date; and
- 2 million options with a 45c strike price with a 3 year term from listing date.

Non-Executive Director Agreements

An annual fee will be paid to each of the continuing Non-Executive Directors as follows:

- $70,000 payable to Mr Bryan Dixon; and
- $40,000 payable to Mr Jeff Brill.

In addition to the base fee, on successful ASX Admission of the Company, Mr Dixon will be entitled to a bonus of $50,000 to be paid 3 months after Listing.

In addition to the base, the Non-Executive Directors are entitled to and have been issued on 24 November 2020 the following Shares and Options:

- Mr George Bauk - 500,000 ordinary shares and 1 million options with a 30c strike price with a 2-year term from listing date.
- Mr Jeff Brill - 250,000 ordinary shares and 1 million options with a 30c strike price with a 2-year term from listing date.

Participation in Seed Capital Raise

Mr Bauk, Mr Powell, Mr Brill and Mr Dixon participated in the Company's two seed capital raisings as follows:

Director	Seed Round #1 11 November 2020 Number of Shares	Seed Round #2 13 April 2021 Number of Shares
George Bauk[1]	125,000	19,531
Gary Powell	125,000	19,531
Jeff Brill[2]	125,000	19,531
Bryan Dixon[3]	625,000	107,422

(1) *Note: Mr George Bauk holds shares and options in the Company indirectly through Totode Pty Ltd, an entity in which Mr Bauk is a director and shareholder.*

(2) *Note: Mr Jeffery Brill holds shares and options in the Company indirectly through The Minx Super Fund an, entity in which Mr Brill is the trustee.*

(3) *Note: Mr Bryan Dixon holds shares and options in the Company indirectly through Warrior Finance Pty Ltd and Warrior Strategic Pty Ltd, entities in which Mr Dixon is a director and shareholder.*

Consultancy Agreement with Chief Financial Officer and Company Secretary

Burley has contracted Warrior Strategic Pty Ltd as its Company Secretary, Chief Financial Officer and Taxation Public Officer functions on a consulting basis. Warrior Strategic has been issued 2,500,000 Options with a 30c strike price with a 2-year term from listing date. Mr Dixon is a Director and Shareholder of Warrior Strategic.

Other than the above, there were no related party transactions during the financial period or to the date of this financial report.

Dividends

There have been no dividends paid or declared since the start of the financial year.

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 9.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director ……………………………………………………………………………….

Bryan Dixon

Dated this 20th day of May 2021

Bentleys
THINKING AHEAD

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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 Burley Minerals Ltd for the period ended 31 March 2021, 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,

BENTLEYS	**CHRIS NICOLOFF** CA
Chartered Accountants	**Partner**

Dated at Perth this 20th day of May 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD COMMENCING FROM INCORPORATION AND ENDED 31 MARCH 2021

	Note	31 March 2020 $
Revenue from continuing operations	2	17
Professional fees		(151,639)
Professional Fees – equity based payments		(19,097)
Administration expenses		(5,554)
Directors fees		(21,667)
Directors fees – equity based payments		(188,825)
Compliance and regulatory expenses		(6,088)
Other expenses		(5,238)
Loss before income tax		398,091
Tax expense	3	-
Loss for the period		398,091
Other comprehensive income		-
Total comprehensive loss for the period		398,091
Total comprehensive loss attributable to owners of the Company		398,091

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	31 March 2021 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5	257,288
Trade and other receivables	6	36,915
TOTAL CURRENT ASSETS		294,203
NON-CURRENT ASSETS		
Exploration and evaluation assets	7	65,000
Loan receivable	8	174,337
TOTAL NON-CURRENT ASSETS		239,337
TOTAL ASSETS		533,540
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9	90,908
TOTAL CURRENT LIABILITIES		90,908
TOTAL LIABILITIES		90,908
NET ASSETS		442,632
EQUITY		
Issued capital	10	772,801
Reserves	10	67,922
Accumulated losses		(398,091)
TOTAL EQUITY		442,632

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD COMMENCING FROM INCORPORATION AND ENDED 31 MARCH 2021

	Note	Issued Capital Ordinary	Accumulated Losses	Reserves	Total
		$	$	$	$
Balance at 29 October 2020		1	-	-	1
		1			1
Comprehensive income					
Loss for the year			(398,091)		(398,091)
Total comprehensive income for the year attributable to owners of the Company			(398,091)		(398,091)
Transactions with owners, in their capacity as owners, and other transfers:					
Shares issued		780,000			780,000
Costs of issuing shares		(7,200)			(7,200)
Reserves				67,922	67,922
Balance at 31 March 2021		772,801	(398,091)	67,922	442,632

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD COMMENCING FROM INCORPORATION AND ENDED 31 MARCH 2021

	Note	31 March 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received		17
Payments to suppliers and employees		(136,193)
Net cash used in operating activities	14	(136,176)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire Exploration and Evaluation assets		(65,000)
Loan payments made to non-related parties		(174,337)
Net cash used in investing activities		(239,337)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		640,001
Payments for costs of issue of shares		(7,200)
Net cash provided by financing activities		632,801
Net increase (decrease) in cash held		257,288
Cash and cash equivalents at beginning of financial year		-
Cash and cash equivalents at end of financial year	5	257,288

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD COMMENCING FROM INCORPORATION AND ENDED 31 MARCH 2021

The financial statements cover Burley Minerals Ltd (the **Company**) as an individual entity. The Company is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 20 May 2021 by the directors of the Company.

The financial statements of the Company, with the exception of the statement of cash flows, are prepared on an accrual basis.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

The financial statements, except for the cash flow information have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Going Concern

The financial report has been prepared on the 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 period of $398,091 and net cash inflows of $257,288.

As at 31 March 2021, the Company has a working capital surplus of $203,295.

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. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

On 28 October 2020, the Company secured an option to acquire 70% of the issued capital of Novarange Pty Ltd for an option fee of $65,000. Burley is planning on an ASX listing and is proposing to raise $6 million raise to fund exploration of Novarange's Yerecoin Project.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

a. **Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination other than those associated with the issue of a financial instrument are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is calculated as the excess of the sum of:

– the consideration transferred;

– any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

– the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 9 Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Company holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Company can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the Company determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Goodwill is tested for impairment annually and is allocated to the Company's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

b. **Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

– the initial recognition of goodwill; or

– the initial recognition of an asset or liability in a transaction which:

  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. 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 Accounting Standard.

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 (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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 (ie 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 (ie 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 takes into account 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.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Exploration, Evaluation and Development Expenditure

Costs incurred during exploration and evaluations relating to an area of interest are accumulated. Costs are carried forward to the extent they are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not yet reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances, the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

Accumulated costs carried forward in respect of an area of interest that is abandoned are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been estimated of future costs, current legal requirements and technology on an undiscounted basis.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Leases (the Company as Lessee)

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

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

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

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

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

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

The Company does not act as a lessor in relation to lease contracts.

f. Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

– amortised cost; or
– fair value through profit and loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A financial liability is measured at fair value through profit and loss if the financial liability is:

– a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;

– held for trading; or

– initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

– incurred for the purpose of repurchasing or repaying in the near term;

– part of a portfolio where there is an actual pattern of short-term profit taking; or

– a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (if not designated as at fair value through profit or loss and not arising from a transfer of a financial asset) and subsequently measured at the higher of:

– the amount of loss allowance determined in accordance with AASB 9.3.25.3; and

– the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

– amortised cost;

– fair value through other comprehensive income; or

– fair value through profit or loss.

Measurement is on the basis of two primary criteria:

– the contractual cash flow characteristics of the financial asset; and

– the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

– the financial asset is managed solely to collect contractual cash flows; and

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and

– the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

– it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

– the right to receive cash flows from the asset has expired or been transferred;

– all risk and rewards of ownership of the asset have been substantially transferred; and

– the Company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the Company elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Company recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;

– lease receivables; and

– loan commitments that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

– financial assets measured at fair value through profit or loss; or

– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

– the general approach;

– the simplified approach;

– the purchased or originated credit-impaired approach; and

– low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and:

– if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and

– if there has been no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

– trade receivables or contract assets that result from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, and which do not contain a significant financing component; and

– lease receivables.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

g. **Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h. **Employee Benefits**

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

k. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured their fair value and subsequently measured at amortised cost using the effective interest method.

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

m. 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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

n. Comparative Figures

When required by Accounting Standards, comparative figures have been 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, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

o. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

p. Key estimates

Impairment

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

NOTE 2: REVENUE FROM CONTINUING OPERATIONS

	31 March 2021 $
Interest received	17

NOTE 3: TAX EXPENSE

		Note	**31 March 2021 $**
a.	The components of tax (expense) income comprise:		
	Current tax		-
	Deferred tax		-
			-
b.	The prima facie tax benefit on loss before income tax is reconciled to income tax as follows:		
	Loss from continuing operations		398,091
	Prima facie tax benefit on loss before income tax at 27.5% (2020: 27.5%)		109,475
	Less:		
	Tax effect of:		
	– Deferred tax assets not recognised		(109,475)
	Income tax attributable to entity		-
	The weighted average effective tax rates are as follows:		27.5%
	Deferred tax assets have not been recognized in respect to the following as they are not considered to have met the recognition criteria.		

NOTE 4: AUDITOR'S REMUNERATION

	31 March 2021 $
Remuneration of the auditor:	
– auditing or reviewing the financial statements	2,500
	2,500

The auditor of Burley is Bentleys.

NOTE 5: CASH AND CASH EQUIVALENTS

	31 March 2021 $
Cash at bank and on hand	257,288

NOTE 6: TRADE AND OTHER RECEIVABLES

	Note	31 March 2021 $
CURRENT		
Trade receivables		36,915
Total current trade and other receivables	15	36,915

Note 7: EXPLORATION AND EVALUATION ASSETS

	Note	31 March 2021 $
NON-CURRENT		
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases at cost		65,000
Movement – exploration and evaluation		
Brought forward		-
Exploration and evaluation expenditure		65,000
Exploration and evaluation phases at cost		65,000

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

NOTE 8: LOAN RECEIVABLE

	Note	31 March 2021 $
NON-CURRENT		
Unrelated parties:		
Loan receivable		174,337

The Loan is secured by guarantee from Kingsreef Pty Ltd and incurs no interest.

NOTE 9: TRADE AND OTHER PAYABLES

	Note	31 March 2021 $
CURRENT		
Unsecured liabilities:		
Trade payables		
Trade and other payables:	15	90,908

NOTE 10: ISSUED CAPITAL

	31 March 2021 $
9,750,001 fully paid ordinary shares	772,801

a. **Ordinary Share Movements**

		31 March 2021 Number	31 March 2021 $
Balance at incorporation		1	1
Issue of shares at $0.08 each	(i)	8,000,000	640,000
Issue of shares to directors and management at $0.08 each	(ii)	1,750,000	140,000
Costs of the issue of shares			(7,200)
Balance at the end of the year		9,750,001	772,801

(i) On 11 November 2020 the Company issued 8,000,000 new ordinary fully paid shares in the capital of the Company at an issue price of $0.08 per share.

(ii) On 24 November 2020 the Company issued 1,750,000 new ordinary fully paid shares in the capital of the Company at a deemed issue price of $0.08 per share.

Ordinary shareholders participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

b. **Capital Management**

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

b. Options Movement

Exercise Period	Exercise Price	Number on issue at 29 October 2020	Issued during the Period	Exercised/ Expired/ Cancelled	Number on issue at 31 March 2021
On or before the date that is two years after the date of Admission	$0.30	-	6,500,000	-	6,500,000
On or before the date that is three years after the date of Admission	$0.45	-	2,000,000	-	2,000,000
Total options		-	8,500,000	-	8,500,000

(i) 6,000,000 options were issued to directors on 24 November 2020 pursuant to respective engagement agreements. 4,000,000 of the Options are exercisable at $0.30 on or before the date that is two years after the date the Company is admitted to ASX. 2,000,000 of the Options are exercisable at $0.45 on or before the date that is three years after the date the Company is admitted to ASX

(ii) 2,500,000 Options were issued to Warrior Strategic Pty Ltd on 24 November 2020 pursuant to the engagement agreement. The Options are exercisable at $0.30 on or before the date that is two years after the date the Company is admitted to ASX

Allottee	Number of Options	Fair Value at Grant Date per Option	Estimated Volatility	Life of Option (years)	Exercise Price	Share Price at Grant Date	Risk Free Interest Rate
Directors	4,000,000	$0.0076	75%	2.00	$0.30	$0.08	0.001%
Directors	2,000,000	$0.0091	75%	3.00	$0.45	$0.08	0.001%
Consultants	2,500,000	$0.0076	75%	2.00	$0.30	$0.08	0.001%

c. Option Reserve

	31 March 2021 $
Opening balance	-
Equity based payments	67,922
Closing balance	67,922

:

NOTE 11. CONTINGENT LIABILITIES

The following deferred consideration is payable to the existing Shareholders of Novarange by Burley meeting the following milestones in relation to the Project acquired pursuant to the Novarange Acquisition:

a) a total payment of $1,000,000 to the Vendors (and/or their nominees) within 30 Business Days after the completion by Burley of a successful Preliminary Feasibility Study that demonstrates extraction of minerals from the Tenements to be viable under reasonable financial assumptions (**First Deferred Payment**);

b) a total payment of $1,000,000 to the Vendors (and/or their nominees) within 30 Business Days after the grant of a mining lease under the Mining Act over all of the Iron Ore resource identified within the Tenement Area as at the Commencement Date (**Second Deferred Payment**); and

c) a total payment to the Vendors (and/or their nominees) of $2,500,000 within 30 Business Days after the first occasion of commercial Iron Ore production from the Tenements provided always that if this production milestone is achieved within two (2) years of the Admission Date, this payment will only be payable 30 Business Days after the expiration of that two (2) year period (**Third Deferred Payment**).

The Deferred Payments which may become due and payable pursuant to any of the above milestones must only be satisfied by the issue and allotment of Purchaser Shares to each Vendor and/or its nominee(s).

The number of Purchaser Shares to be issued under this Agreement to satisfy any of the Deferred Payments will be calculated by dividing the amount of the corresponding Deferred Payment by the higher of:

a) the volume weighted average price for Purchaser Shares traded on the ASX over the 15 Trading Days prior to the date on which the payment becomes due and payable; and

b) the Floor Price, being $0.15.

Upon Completion of the Novarange Acquisition, the Company will assume the following contingent liabilities:

a. Royalty Payable to Radar Iron Ltd (now known as Weebit Nano Ltd)

The Company will assume Novarange's obligation to make a one-off payment of $0.05 per tonne on reserve tonnes at the commencement of economic mining from the Tenements, or any substitution or replacement of the Tenements.

The Company will also assume Novarange's third-party obligations in respect of the Tenements comprising the Giralia Royalty and indemnity to Radar Iron Ltd (now known as Weebit Nano Ltd) for any loss it suffers with respect to that royalty. The Company will also assume Novarange's obligations to Weebit Nano Limited under private land access agreements which were provided to Novarange on or before the date of the (Radar/Weebit/Novarange) Sale Deed.

b. Royalty payable to Giralia Resources Pty Ltd

The Company will assume Novarange's obligation to pay within 30 days of a decision to commence mining operations on the Tenements, amounts equal to:

1. $0.10 per tonne for each tonne of magnetite proven in a Reserve within the Tenements or, if not proven in Reserve, mined or to be mined as a Resource, exceeding 187,000,000 tonnes; and
2. $0.50 per tonne for each tonne of direct shipping hematite iron ore proven in a Reserve within the Tenements, or if not proven in Reserve, mined or to be mined as a Resource, exceeding 5,000,000 tonnes,

limited to a maximum of 200,000,000 tonnes of Reserve or tonnes mined or to be mined as a Resource.

Other than the above, there are no contingent liabilities that may become payable.

NOTE 12: RELATED PARTY TRANSACTIONS

Related Parties

The Company's main related parties are as follows:

a. **Entities Exercising Control over the Company**

The directors, being Mr George Bauk (resigned 23 April 2021), Mr Bryan Dixon, Mr Jeff Brill and Mr Gary Powell and their controlled entities.

b. **Key Management Personnel**

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

The three directors, as detailed above.

c. **Entities Subject to Significant Influence by the Company**

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

None.

d. **Other Related Parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Transactions with Related Parties

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

The following transactions occurred with related parties:

Consultancy Agreement with Managing Director

Mr Powell's annual remuneration package under the Consultancy Agreement is $250,000 (excluding GST). In addition to the base, Mr Powell is entitled to and has been issued on 24 November 2020 the following Shares and Options:

- 1,000,000 ordinary shares;
- 2 million options with a 30c strike price with a 2 year term from listing date; and
- 2 million options with a 45c strike price with a 3 year term from listing date.

Non-Executive Director Agreements

An annual fee will be paid to each of the continuing Non-Executive Directors as follows:

- $70,000 payable to Mr Bryan Dixon; and
- $40,000 payable to Mr Jeff Brill.

In addition to the base fee, on successful ASX Admission of the Company, Mr Dixon will be entitled to a bonus of $50,000 to be paid 3 months after Listing.

In addition to the base, the Non-Executive Directors are entitled to and have been issued on 24 November 2020 the following Shares and Options:

- Mr George Bauk - 500,000 ordinary shares and 1 million options with a 30c strike price with a 2-year term from listing date.
- Mr Jeff Brill - 250,000 ordinary shares and 1 million options with a 30c strike price with a 2-year term from listing date.

NOTE 12: RELATED PARTY TRANSACTIONS

Participation in Seed Capital Raise

Mr Bauk, Mr Powell, Mr Brill and Mr Dixon participated in the Company's two seed capital raisings as follows:

Director	Seed Round #1 11 November 2020 Number of Shares	Seed Round #2 13 April 2021 Number of Shares
George Bauk[1]	125,000	19,531
Gary Powell	125,000	19,531
Jeff Brill[2]	125,000	19,531
Bryan Dixon[3]	625,000	107,422

(1) *Note: Mr George Bauk holds shares and options in the Company indirectly through Totode Pty Ltd, an entity in which Mr Bauk is a director and shareholder.*

(2) *Note: Mr Jeffery Brill holds shares and options in the Company indirectly through The Minx Super Fund an, entity in which Mr Brill is the trustee.*

(3) *Note: Mr Bryan Dixon holds shares and options in the Company indirectly through Warrior Finance Pty Ltd and Warrior Strategic Pty Ltd, entities in which Mr Dixon is a director and shareholder.*

Consultancy Agreement with Chief Financial Officer and Company Secretary

Burley has contracted Warrior Strategic Pty Ltd as its Company Secretary, Chief Financial Officer and Taxation Public Officer functions on a consulting basis. Warrior Strategic has been issued 2,500,000 Options with a 30c strike price with a 2-year term from listing date. Mr Dixon is a Director and Shareholder of Warrior Strategic.

Other than the above, there were no related party transactions during the financial period or to the date of this financial report.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

On 13 April 2021 the Company issued 1,250,000 ordinary fully paid shares to existing shareholders and sophisticated investors at an issue price of $0.16 to raise $200,000.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the Company in future financial years.

NOTE 14: CASH FLOW INFORMATION

	31 March 2021 $
Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax	
Loss after income tax	398,091
Changes in assets and liabilities	
– Increase in trade and other receivables	36,915
– (increase) in trade and other payables	(90,908)
Share based payments	(207,922)
Net cash used in operating activities	136,176

NOTE 15: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	31 March 2021 $
Financial assets		
Financial assets at amortised cost:		
– cash and cash equivalents	5	257,288
– trade and other receivables	6	36,915
Total financial assets		294,203
Financial liabilities		
Financial liabilities at amortised cost:		
– trade and other payables	9	90,908
Total financial liabilities		90,908

Financial Risk Management Policies

The directors' 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 of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The Company does not have any derivative instruments at 31 March 2021.

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 relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **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.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness, which includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Company, credit terms are generally 14 to 30 days from the date of invoice.

NOTE 15: FINANCIAL RISK MANAGEMENT

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at board level, given to third parties in relation to obligations under its bank bill facility.

The Company has no significant concentrations of credit risk with any single counterparty or group of counterparties.

b. **Liquidity Risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

– preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;

– using derivatives that are only traded in highly liquid markets;

– monitoring undrawn credit facilities;

– obtaining funding from a variety of sources;

– maintaining a reputable credit profile;

– managing credit risk related to financial assets;

– only investing surplus cash with major financial institutions; and

– comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The following table reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does, however, maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. The Company does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

	Within 1 Year 31 March 2021 $	2 to 5 Years 31 March 2021 $	Over 5 Years 31 March 2021 $	Total 31 March 2021 $
Financial liabilities due for payment				
Trade and other payables	90,908	-	-	90,908
Total contractual outflows	90,908	-	-	90,908
Total expected outflows	90,908	-	-	90,908
Financial assets – cash flows realisable				
Cash and cash equivalents	257,288	-	-	257,288
Trade and other receivables	36,915	-	--	36,915
Total anticipated inflows	294,203	-	--	294,203
Net outflow (inflow) on financial instruments	(203,295)	-	-	(203,295)

c. **Market Risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Company to interest rate risk are limited to borrowings, listed shares, and cash and cash equivalents.

Interest rate risk is managed using a mix of fixed and floating rate debt and the Company enters into interest rate swaps to convert the majority of debt to fixed rate. At 31 March 2021, approximately 100% of company debt is fixed. It is the policy of the company to keep 100% of debt on fixed interest rates.

The Company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

The net effective variable interest rate borrowings (ie unhedged debt) expose the Company to interest rate risk, which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

(ii) *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Such risk is managed through diversification of investments across industries and geographic locations.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Burley Minerals Ltd, the directors declare that:

1. The financial statements and notes, as set out on pages 7 to 33, are in accordance with the *Corporations Act 2001* and:
   a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
   b. give a true and fair view of the financial position as at 31 March 2021and of the performance for the year ended 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.

Director

Bryan Dixon

Dated this 20th day of May 2021

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Burley Minerals Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Burley Minerals Ltd ("the Company"), which comprises the statement of financial position as at 31 March 2021, 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:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position as at 31 March 2021 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of $398,091 during the period ended 31 March 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 financial report for the period ended 31 March 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

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 1, 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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.

Bentleys

BENTLEYS
Chartered Accountants

Chris Nicoloff

CHRIS NICOLOFF CA
Partner

Dated at Perth this 20th day of May 2021