

Australian United Silica Corporation Pty Limited

HALF-YEAR FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

ABN 58 614 474 574

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DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2020.

Signed in accordance with a resolution of the Board of Directors.

DIRECTORS

The names of Directors in office during the half-year and until the date of this report are as follows.

Directors were in the office for this entire period unless otherwise stated.

Barry Fehlberg

Paul Joseph Browne (appointed 9 September 2020, resigned 2 March 2021)

Selvakumar Arunachalam (appointed 9 September 2020)



Barry Fehlberg
Director
Perth, Western Australia

15 March 2021

COMPANY SECRETARY

Selvakumar Arunachalam

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the financial period were the exploration of mineral tenements in Western Australia.

There were no other significant changes in the nature of the activities of the Company during the period.

OPERATING RESULTS

The loss of the Company for the six months to 31 December 2020 amounted to \$21,839 (31 December 2019: loss of \$87,080).

REVIEW OF OPERATIONS

During the period, the Company continued its exploration activities in Western Australia.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Company that occurred during the financial period.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affair of the Company, in the future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2020 as required under Section 307C of the *Corporations Act 2001* is set out on page 13.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2020

	Note	6 months to 31 Dec 2020	6 months to 31 Dec 2019
		\$	\$
Revenue		-	-
Administration expense		(12,913)	(2,315)
Exploration expense		(6,826)	(84,765)
Depreciation expense		(2,100)	-
Loss before income tax		(21,839)	(87,080)
Income tax		-	-
Loss for the half year		(21,839)	(87,080)
Other comprehensive income		-	-
Income tax on other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(21,839)	(87,080)
Net loss attributable to:			
Owners of the Company		(21,839)	(87,080)
Net loss for the period		(21,838)	(87,080)
Total comprehensive loss attributable to:			
Owners of the Company		(21,839)	(87,080)
Total comprehensive loss for the period		(21,839)	(87,080)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	31 Dec 2020 \$	30 Jun 2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	72,884	37,576
Trade and other receivables	5	308	355
TOTAL CURRENT ASSETS		73,192	37,931
NON-CURRENT ASSETS			
Property, plant and equipment	6	8,400	10,500
TOTAL NON-CURRENT ASSETS		8,400	10,500
TOTAL ASSETS		81,592	48,431
CURRENT LIABILITIES			
Trade and other payables	7	10,000	-
TOTAL CURRENT LIABILITIES		10,000	-
NET ASSETS		71,592	48,431
EQUITY			
Share capital	8	342,001	297,001
Share options		4,500	4,500
Accumulated losses		(274,909)	(253,070)
TOTAL EQUITY		71,592	48,431

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2020

	Attributable to owners of the Company			
	Share Capital	Share Options	Accumulated Losses	Total Equity
	\$	\$	\$	\$
As at 1 July 2020	297,001	4,500	(253,070)	48,431
Total comprehensive loss for the period				
Loss for the period	-	-	(21,839)	(21,839)
Total comprehensive loss for the period	-	-	(21,838)	(21,838)
Transactions with owners recorded directly into equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares	45,000	-	-	45,000
Balance at 31 December 2020	342,001	4,500	(274,909)	71,592
	Share Capital	Share Options	Accumulated Losses	Total Equity
	\$	\$	\$	\$
As at 1 July 2019	297,001	4,500	(165,990)	135,511
Total comprehensive loss for the period				
Loss for the period	-	-	(87,080)	(87,080)
Total comprehensive loss for the period	-	-	(87,080)	(87,080)
Transactions with owners recorded directly into equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares	-	-	-	-
Balance at 31 December 2019	297,001	4,500	(253,070)	48,431

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2020

	Note	6 months to 31 Dec 2020	6 months to 31 Dec 2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers		(9,732)	(110,819)
Net cash flows (used) in operating activities		(9,732)	(110,819)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares (net of costs)		45,000	-
Net cash flows generated from financing activities		45,000	-
Net (decrease) / increase in cash and cash equivalents		35,268	(110,819)
Cash and cash equivalents at beginning of financial year		37,576	164,888
Cash and cash equivalents at end of financial year	4	72,844	54,069

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 1 Reporting entity

Australian United Silica Corporation Pty Limited (the "Company") is a company domiciled in Australia. The Company's registered address is 18 Figtree Drive, Canning Vale WA 6155. The Company is a for-profit entity and primarily is involved in exploration for mineral sands.

The financial statements were authorised for issue by the Board of Directors on 15 March 2021.

Note 2 Summaries of significant accounting policies

(a) Statement of Compliance

The half-year financial report is a general purpose interim financial report prepared in accordance with *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial report for the financial year ended 30 June 2020.

(b) Basis of Preparation

The financial statements are prepared on a going concern basis in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

It is recommended that the half-year financial statements be read in conjunction with the annual report for the year ended 30 June 2020.

The half-year financial statements have been prepared on accrual basis and on a historical cost basis, except as modified by certain financial assets carried at fair value.

The accounting policies applied by the Company in these financial statements are consistent with those applied by the Company in its annual financial report for the year ended 30 June 2020, except for as stated in Note 2 (d).

(c) Going concern

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary courses of business.

For the half year ended 31 December 2020 the Company incurred a loss of \$21,839 (31 December 2019: loss \$87,080) and had working capital surplus of \$63,192 (30 June 2020: surplus of \$37,931). Based upon the Company's existing cash resources of \$72,884 (30 June 2020: \$37,576), the ability to modify expenditure outlays if required, and to source additional funds, the Directors consider there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the Company's 31 December 2020 half year financial report.

The Board of Directors is aware of the Company's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months.

In the event that the Company is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

(d) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(e) New and Amended Standards Adopted by the Group

The Company has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 2 Summaries of significant accounting policies (continued)

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour,
- Any other costs directly attributable to bringing the assets to a working condition for their intended use,
- When the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and
- Capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as difference between the net proceeds from the disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date the asset is completed and ready for use.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a reducing balance basis over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Motor vehicles	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(g) Exploration and development expenditure

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

Accumulated costs in relation to an abandoned area 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 are 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 carry forward costs in relation to that area of interest.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 2 Summaries of significant accounting policies (continued)

(g) Exploration and development expenditure (continued)

Costs of site restoration are provided over the life of the facility 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 determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis in determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are generally paid within 30 days of recognition.

Note 3 Operating segments

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

Geographical information

The Group operates solely in one country, Australia.

Note 4 Cash and cash equivalents

	31 Dec 2020	30 Jun 2020
	\$	\$
Cash at bank and on hand	72,884	37,576
	72,884	37,576

Note 5 Trade and other receivables

	31 Dec 2020	30 Jun 2020
	\$	\$
Other receivables	308	355
	308	355

None of the receivables are past due or impaired.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 6 Property, plant and equipment

	Motor vehicles \$	Total \$
Cost		
Balance 1 July 2020	17,500	17,500
Additions	-	-
Disposals	-	-
Balance at 31 December 2020	17,500	17,500
Balance 1 July 2019	-	-
Additions	17,500	17,500
Disposals	-	-
Balance at 30 June 2020	17,500	17,500
Accumulated depreciation		
Balance 1 July 2020	7,000	7,000
Depreciation charge for the period	2,100	2,100
Balance at 31 December 2020	9,100	9,100
Balance 1 July 2019	-	-
Depreciation charge for the year	7,000	7,000
Balance at 30 June 2020	7,000	7,000
Carrying amounts		
At 31 December 2020	8,400	8,400
At 30 June 2020	10,500	10,500

Note 7 Trade and other payables

	31 Dec 2020 \$	30 Jun 2020 \$
Accrued expenses	10,000	-
	10,000	-

Note 8 Capital and reserves

Share capital

	31 Dec 2020 \$	30 June 2020 \$
(a) 30,000,000 (30 June 2020: 29,700,001 fully paid ordinary shares)	342,001	297,001

	31 Dec 2020 No.	30 Jun 2020 No.	31 Dec 2020 \$	30 Jun 2020 \$
At the beginning of reporting period/year	29,700,001	29,700,001	297,001	297,001
Issued during the period/year	299,999	-	45,000	-
At the end of reporting period/year	30,000,000	29,700,001	342,001	297,001

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 9 Contingent liabilities

The Company had engaged a few consultants, include the directors and company secretary, providing geological consultancy, directorships and company secretary services since its inception.

The parties did not receive any remunerations for the services rendered as of the date of this report. During the half year, the parties have agreed in writing that the total remuneration to be \$500,000 and to defer the payments to them, subject to the Company successfully entering into a sale of shares of the Company to a third party.

The payments will be made by the vendor as a part of the settlement of the sale of the Company. Due to this condition precedent of settlement of the potential sale of the Company, no liability was provided till the date of this report.

Note 10 Contingent liabilities

There are no commitments at the date of this report.

Note 11 Auditor's remuneration

	31 Dec 2020	30 Jun 2020
	\$	\$
Audit services		
<i>Auditors of the Company</i>		
Stantons International		
Audit and review of financial statements	10,000	-
	10,000	-

Note 12 Subsequent events

There has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affair of the Company, in the future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Australian United Silica Corporation Pty Limited (the "Company"):
 - (a) The condensed financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance, for the half-year ended on that date, and
 - (ii) Complying with Australian Accounting Standards AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*;
 - (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
2. The directors have been given the declarations required by section 295(5)(a) of the *Corporations Act 2001* from the Managing Director for the half-year ended 31 December 2020.

Signed in accordance with a resolution of the Directors.



Barry Fehlberg
Director

Perth, Western Australia
15 March 2021

15 March 2021

Board of Directors
Australian United Silica Corporation Pty Limited
18 Figtree Drive
Canning Vale WA 6155

Dear Directors

RE: AUSTRALIAN UNITED SILICA CORPORATION PTY LIMITED

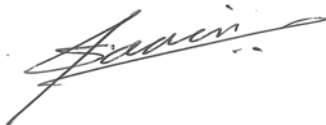
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Australian United Silica Corporation Pty Limited.

As Audit Director for the audit of the financial statements of Australian United Silica Corporation Pty Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Sam Tirodkar
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
AUSTRALIAN UNITED SICILA CORPORATION PTY LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Australian United Silica Corporation Pty Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Australian United Silica Corporation Pty Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the [name of entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 15 March 2021.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) in the financial report, which describes the financial report being prepared on a going concern basis. The Company incurred a loss for the half year of \$21,839, had cash and cash equivalents of \$72,884, a net working capital surplus of \$63,192 and net cash outflows from operating activities of \$9,732.

The ability of the Company to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Company raising further working capital and/or successfully exploiting its mineral assets. In the event that the Company is not successful in raising further equity or successful in exploiting its mineral assets, the Company may not be able to meet its liabilities as and when they fall due and the realisable value of the Company's current and non-current assets may be significantly less than book values.

Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

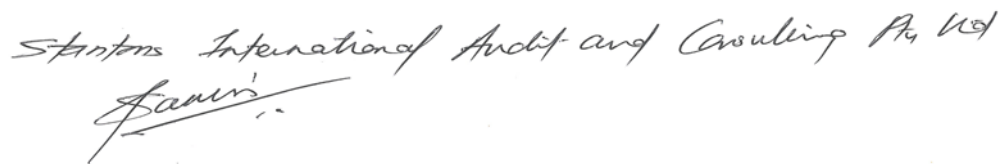
The directors of Australian United Silica Corporation Pty Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not 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 its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

West Perth, Western Australia
15 March 2021

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