



ACN 647 899 698

Interim Financial Report

For the three month period ended 30 April 2021

Contents

DIRECTORS' REPORT	2
CORPORATE INFORMATION	2
AUDITOR INDEPENDENCE DECLARATION TO THE DIRECTORS OF FORRESTANIA RESOURCES LTD ...	3
AUDITOR'S INDEPENDENCE DECLARATION	4
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
CONDENSED STATEMENT OF FINANCIAL POSITION	6
CONDENSED STATEMENT OF CHANGES IN EQUITY	7
CONDENSED STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9
DIRECTORS' DECLARATION	15
INEPENDENT AUDITORS' REPORT	16

DIRECTORS' REPORT

CORPORATE INFORMATION

The directors submit herewith the financial report of Forrestania Resources Pty Ltd for the period ended 30 April 2021.

The Company's functional and presentation currency is \$AU.

A description of the Company's operations and its principal activities is included in the review of operations and activities in the directors' report on page 2. The directors' report is not part of the financial report.

Directors

John Hannaford (Chairman)

David Izzard (Non-executive Director)

William Higgins (Non-executive Director)

Company Secretary

Simon Adams

Registered office

Suite 2, 38 Colin Street

West Perth, WA 6005

Australia

Telephone: +61 8 6444 1788

Web: www.forrestanioresources.com.au

Auditors

Bentleys Audit & Corporate (WA) Pty Ltd

London House, Level 3

216 St George's Terrace

Pert WA 6000

Share Registry

Automic Pty Ltd

Level 2

267 St Georges Terrace

Perth WA 6000

AUDITOR INDEPENDENCE DECLARATION TO THE DIRECTORS OF FORRESTANIA RESOURCES LTD

Section 307C of the Corporations Act 2001 requires our auditors, Bentleys Audit & Corporate (WA) Pty Ltd, to provide the directors of Forrestania Resources Pty Ltd with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4.

This report is made out in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors



John Hannaford
Chairman
24 June 2021

AUDITOR'S INDEPENDENCE DECLARATION

**Bentleys Audit & Corporate
(WA) Pty Ltd**

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

To the Board of Directors

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

As lead audit partner for the review of the financial statements of Forrestania Resources Ltd for the period ended 30 April 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Partner

Dated at Perth this 24th day of June 2021

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 April 2021

	Notes	2021 \$
Revenue		-
Interest income		136
		<hr/> 136
Exploration expense		-
Corporate administration expenses	8	(16,123)
Interest expense		(1,120)
Profit/(loss) before income tax		<hr/> (17,107)
Income Tax Expense		-
Profit/(loss) after income tax		<hr/> (17,107)
Other Comprehensive income/(loss)		-
Total comprehensive loss for the period attributable to members of the entity		<hr/> (17,107) <hr/>
Earnings per share:		
		30 Apr 2021
		\$
Basic (cents per share)	9	(8,553)

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

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	Notes	2021 \$
ASSETS		
Current assets		
Cash and cash equivalents	10	1,291
Trade and other receivables	11	32,162
Current tax assets		-
Total current assets		33,453
Non-current assets		
Exploration and evaluation assets	12	143,280
Total non-current assets		143,280
Total assets		176,733
Current liabilities		
Trade and other payables	13	30,279
Borrowings	14	163,559
Total current liabilities		193,838
Non-current liabilities		-
Net Assets		(17,105)
Equity		
Share Capital	15	2
Retained Earnings		(17,107)
Total Equity		(17,105)

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 April 2021

	Note	Share Capital	Retained Earnings	Total Equity
Balance at Incorporation		2	-	2
12/02/2021				
Profit/(Loss) for the period		-	(17,107)	(17,107)
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the period		-	(17,107)	(17,107)
Transactions with owners in their capacity as owners:				
Shares issued		-	-	-
Balance at 30 April 2021	15	2	(17,107)	(17,105)

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

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 April 2021

	Notes	2021
Cash flows from operating activities		
Payments to suppliers and employees		(1,659)
Net cash outflow from operating activities		(1,659)
Cash flows from investing activities		
Payments for acquisition of assets		-
Payments for exploration		(18,550)
Net cash outflow from investing activities		(18,550)
Cash flows from financing activities		
Proceeds from issues of shares		-
Proceeds from loans		21,500
Loans to other entities		-
Net cash inflow from financing activities		21,500
Net increase/(decrease) in cash and cash equivalents		1,291
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of period	10	1,291

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

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Forrestania Resources Pty Ltd is a company Pty Ltd by shares, domiciled and incorporated in Australia.

The nature of operations and principal activities of the Company is the exploration of gold and other minerals.

The financial report of the Company is for the period from incorporation on 12 February 2021 to 30 April 2021. This interim financial report does not include all the notes of the type that are normally included in an annual financial report other than significant accounting policy changes that have occurred in the current reporting period.

2. Basis of Preparation

These condensed interim financial statements for the period ending 30 April 2021 have been prepared in accordance with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This financial report also complies with *IAS 34 Interim Financial Reporting*, as issued by the International Accounting Standards Board.

These condensed interim financial statements do not include all the notes of the type normally included in an annual financial report.

The financial report has been prepared on a historical costs basis and has been presented in Australian Dollars (AUD) rounded to the nearest AUD1 unless otherwise stated.

3. Accounting Policies

a) Significant Accounting Policies

Critical accounting judgements, estimates and assumptions are discussed in the following note:

Exploration and evaluation expenditure note 12

b) Adoption of new accounting standards effective this financial year

No material new accounting standards were adopted during the period.

4. Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The Company has adopted all new and revised Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) which are mandatory to apply to the current year.

5. Segment Information

The Company has one operating segment 'Exploration' based on internal management reports that are reviewed and used by the Company's Executive Committee in assessing performance. Exploration comprises all projects in the exploration, evaluation and feasibility phase of the Company. These include exploration projects at Forrestania, and East Laverton groups of tenements.

6. Going Concern

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

The Company incurred a net loss of \$17,107 and experienced net cash outflows from operations of \$1,659 for the period ended 30 April 2021. The Company has liabilities of \$193,838 and cash on hand of \$1,291.

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast a significant doubt over the Company's ability to continue as a going concern and therefore that it will be able to realize its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

The directors believe that the Company will continue as a going concern for the following reasons:

- The Company plans to undertake a capital raise under a prospectus to raise up to \$7 million (before costs).
- The Company is currently seeking to raise \$70,000 from its founders and \$500,000 of seed capital from unrelated parties.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

7. Subsequent Events

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Company.

8. Revenue, other income and expenses

	2021 \$
Corporate Administration Expenses	
Accounting	(6,000)
Consulting	(2,875)
Contract Labour	(1,405)
Drafting	(1,122)
Marketing	(1,988)
Rent	(1,580)
Other	(1,153)
	(16,123)

9. Earnings per share

Loss used in calculating basic earnings per share	(17,107)
	Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	2

10. Cash and cash equivalents

	2021 \$
Cash at bank and on hand	1,291

11. Trade and Other Receivables

	2021 \$
Sundry Debtors	2
GST	8,869
Loans to other entities (refer to Note 18)	23,291
	32,162

12. Exploration and Evaluation Assets

Accounting Policy

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or
- activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

12. Exploration and Evaluation Assets (Cont.)

	2021 \$
Opening balance at incorporation	-
Acquisition value of E&E assets	110,000
Expenditure for the period	33,280
Closing Balance	143,280

13. Trade and other payables

	2021 \$
Trade payables	24,279
Accruals	6,000
	30,279

14. Borrowings

During the period, working capital was provided as unsecured loans from related parties to meet short term expenditure requirements associated with the securing of tenements and payment of consultants and suppliers relating to the Company's activities. It is expected that loans will be repaid on close of the proposed IPO.

	2021 \$
Unsecured loans (refer to Note 18)	163,559

15. Issued Capital**a. Movements in Ordinary Shares**

	2021 \$	2021 Number
Opening balance at incorporation 12/02/2021	2	2
Closing balance	2	2

16. Summary of Agreements

Forrestania Resources Pty Ltd has entered into a purchase option agreement for the purchase of a Proprietary Pty Ltd entity with exploration tenement assets in the Forrestania region. It has also entered into a purchase option agreement to acquire a number of granted and applied-for mining tenements in the same region.

Entity Acquisition

Tenement Holder (Firehawk Gold Pty Ltd, wholly owned subsidiary of Firefly Resources Ltd); Tenements: (E74/586, E74/591, E74/627, E77/2313, E77/2364, E77/2348, E77/2345, E77/2346, E77549)

- Agreement execution date: 17 March 2021
- Option Fee: \$50,000 option fee expiring 6 months from execution date payable the Tenement Holder.
- Consideration: - the following consideration was agreed upon exercising of the option:
 - \$50,000 cash payment to the Tenement Holder upon exercising of option.
 - \$1.25 million of ordinary shares in the capital of Forrestania Resources Ltd upon listing on the ASX.
 - \$500,000 ordinary shares in the capital of Forrestania Resources upon the announcement by the company of a JORC 2012 compliant Inferred, Indicated or Measured Mineral Resource of at least 250,000oz of gold at a grade of greater than 2.0g/t at a 0.5/t cutoff located within the Tenement area as identified by an independent competent person.

Tenement Acquisition

Tenement Holder (Western Australian Prospectors Pty Ltd); Tenements: (P77/4326, P77/4325, ELA77/2764)

- Agreement execution date: 1 April 2021
- Option Fees: \$30,000 option fee expiring 6 months from execution date payable to the Tenement Holder, and a further \$50,000 fee to extend the notice by 6 months.
- Consideration: - the following consideration was agreed upon exercising of the option:
 - \$60,000 cash payment to the Tenement Holder
 - \$350,000 of ordinary shares in the capital of Forrestania Resources Ltd upon listing on the ASX
 - 1% gross smelter revenue royalty to Tenement Vendor, capped at \$1,000,000.

17. Contingent Liabilities

The Company has contingent liabilities through the potential royalties payable to some of these tenement vendors. These royalties are contingent on the Company meeting specific exploration results from each of the Tenements, such as a minimum quantity and quality of resource being produced from the Tenements. These royalties are detailed in Note 16 above.

18. Unsecured Loans & Related party transactions

The Company has unsecured loans payable to the following entities. Each of the Facility Agreements is for a loan of up to \$100,000. These loans were issued at 6% interest and will be repayable within 12 months. In accordance with the Facility Agreement, the Company grants to the lender the option to convert all or part of the outstanding sum to shares.

Entity	30-Apr-2021 \$
Hop Valley Holdings Pty Ltd	55,432
Rockford Partners Pty Ltd	21,521
Riverview Corporation Pty Ltd	26,898
Tigers Paw Prospecting No 1	59,708
Total Loans Payable	163,559

Forrestania Resources has provided a loan to the following entity. These loan was issued at 6% interest and will be repayable within 12 months.

Entity	30 Apr-2021 \$
Quattro Gold Pty Ltd	23,291
Total Loans Receivable	23,291

Entity	David Izzard	John Hannaford
Forrestania Resources Ltd	Director	Director
Hop Valley Holdings Pty Ltd	Director	-
Rockford Partners Pty Ltd	Director	Director & Company Secretary
Riverview Corporation Pty Ltd	-	Director
Tigers Paw Prospecting No 1 Pty Ltd	Director	Director
Quattro Gold Pty Ltd	Director	Director

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Forrestania Resources Pty Ltd, I state that:

In the opinion of the directors

- (a) The financial statements and notes of Forrestania Resources Pty Ltd are in accordance with the Corporations Act 2001, including;
 - i. Giving a true and fair view of the Company's financial position as at 30 April 2021 and of its performance for the half year ended on that date, and
 - ii. Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) Subject to achieving the matters set out in note 7 to the financial report, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John Hannaford
Chairman
Perth

24 June 2021

Bentleys Audit & Corporate
(WA) Pty Ltd

London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

Independent Auditor's Review Report

To the Members of Forrestania Resources Ltd

Conclusion

We have reviewed the accompanying period financial report of Forrestania Resources Ltd ("the Company") which comprises the statement of financial position as at 30 April 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a summary of significant accounting policies and other selected explanatory notes, 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 period financial report of Forrestania Resources Ltd does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Forrestania Resources Ltd financial position as at 30 April 2021 and of its performance for the period ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *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* 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* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Independent Auditor's Review Report

To the Members of Forrestania Resources Ltd (Continued)



Material Uncertainty Related to Going Concern

We draw attention to Note 6 in the financial report, which indicates that the Company incurred a net loss of \$17,107 during the period ended 30 April 2021. As stated in Note 6, these events or conditions, along with other matters as set forth in Note 6, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Forrestania Resources Ltd are responsible for the preparation of the period financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the period 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 period 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 period 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 30 April 2021 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a period 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.

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Partner

Dated at Perth this 24th day of June 2021