



**BLACK CANYON**

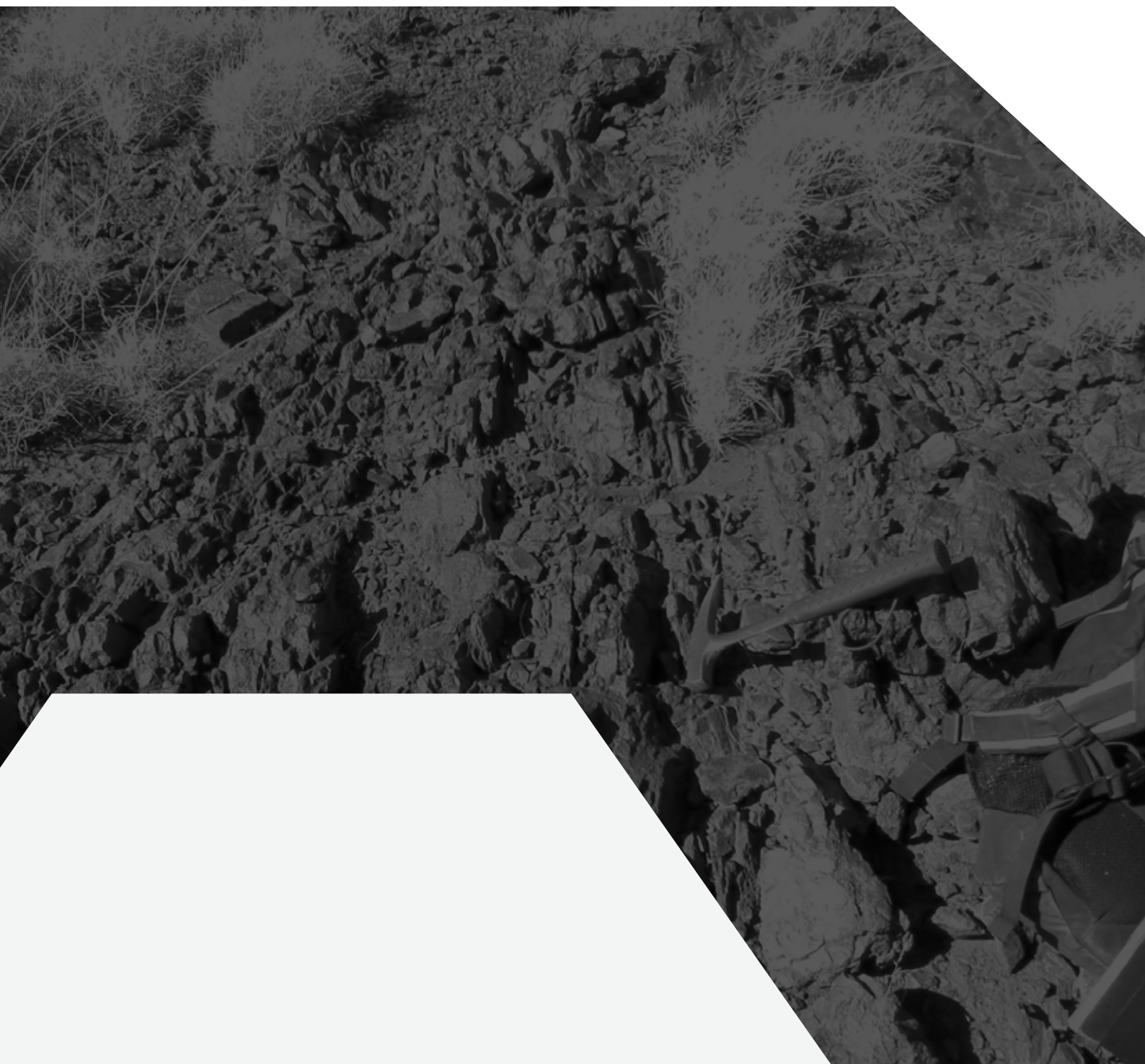
# 2021

## ANNUAL REPORT

For the year ending 30 June 2021

ACN 150 714 739





## CORPORATE DIRECTORY

### Directors

Graham Ascough	Non-Executive Chairman
Brendan Cummins	Executive Director
Adrian Hill	Non-executive Director
Simon Taylor	Non-executive Director

### Company Secretary

Jay Stephenson (appointed on 22 January 2021)

### Head Office and Registered Office

*Registered Office and Principal Place of Business*

283 Rokeby Road  
Subiaco WA 6008  
Telephone +61 8 9426 0666

### Share Registry

Computershare Investor Services  
Level 11, 172 St Georges Terrace  
PERTH WA 6000

### Securities Exchange

Australian Securities Exchange ('ASX')  
Level 40, Central Park, 152-158 St Georges Terrace  
PERTH WA 6000  
Telephone: 131 ASX (131 279) (within Australia)  
Telephone: +61 2 9338 0000  
Facsimile: +61 2 9227 0885  
Website: [www.asx.com.au](http://www.asx.com.au)  
ASX Code: BCA

### Auditor

Hall Chadwick Audit (WA) Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008



# ANNUAL REPORT

30 JUNE 2021

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## CHAIRMAN'S LETTER

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the 2021 Annual Report for Black Canyon Limited ('Company'), the first Annual Report since listing on ASX.

Black Canyon (ASX: BCA) listed on the ASX on the 5th May 2021 after raising \$5m to fund its exploration activities targeting manganese, copper and cobalt in WA's Pilbara region.

The main focus for our exploration is the Carawine Project where Black Canyon has a farm-in and joint venture agreement with Carawine Resources Ltd (ASX:CWX), giving the Company the right to earn an initial 51% and up to a 75% interest in the Project.

The Carawine Project covers approximately 793km<sup>2</sup> of tenure located south of the operating Woodie-Woodie manganese mine, providing a large footprint in a proven and producing manganese belt. Black Canyon has also applied directly for additional exploration licenses adjacent to the Carawine Project that will increase the total land holdings to over 1950km<sup>2</sup>.

Manganese has attractive fundamentals with growing utilisation in the battery mineral sector and dwindling supply.

The Company's initial field programs have focused on the underexplored Flanagan Bore tenement within the Carawine Project. Flanagan Bore is located ~120km northeast of Newman and our field assessments have confirmed the presence of extensive surface mineralisation with previous drill results yielding thick intervals of manganese mineralisation across several areas.

Our plans to commence drilling activities at Flanagan Bore in July were rescheduled for later in the year due to delays in completing heritage surveys as a result of COVID travel restrictions in June. We are looking forward to commencing our initial drilling programs once the required Heritage Surveys are complete which we anticipate will be in the December quarter of 2021.

In addition to Carawine, the Company holds exploration tenure over an area of 206km<sup>2</sup> at the Lofty Range Project located 30km west from ASX listed Element 25's Butcherbird Manganese Project. Element 25 is developing the Butcherbird deposit that currently produces a high-quality manganese concentrate for use in traditional steel markets. The Lofty Range tenement was granted on 2 September 2021 and we have now commenced our exploration programs to evaluate outcropping manganese mineralisation on the project.

I would like to take this opportunity, on behalf of the Board, to thank all our Shareholders for their ongoing support.

I would also like to thank management and my fellow Directors for their ongoing efforts. We are committed to progressing the Company by exploring and testing high-quality targets that can lead to significant discoveries on our extensive holdings in the East Pilbara to grow the Company for the benefit of all Black Canyon shareholders.



Graham Ascough  
**NON-EXECUTIVE CHAIRMAN**  
**Black Canyon Limited**



## REVIEW OF OPERATIONS - OVERVIEW

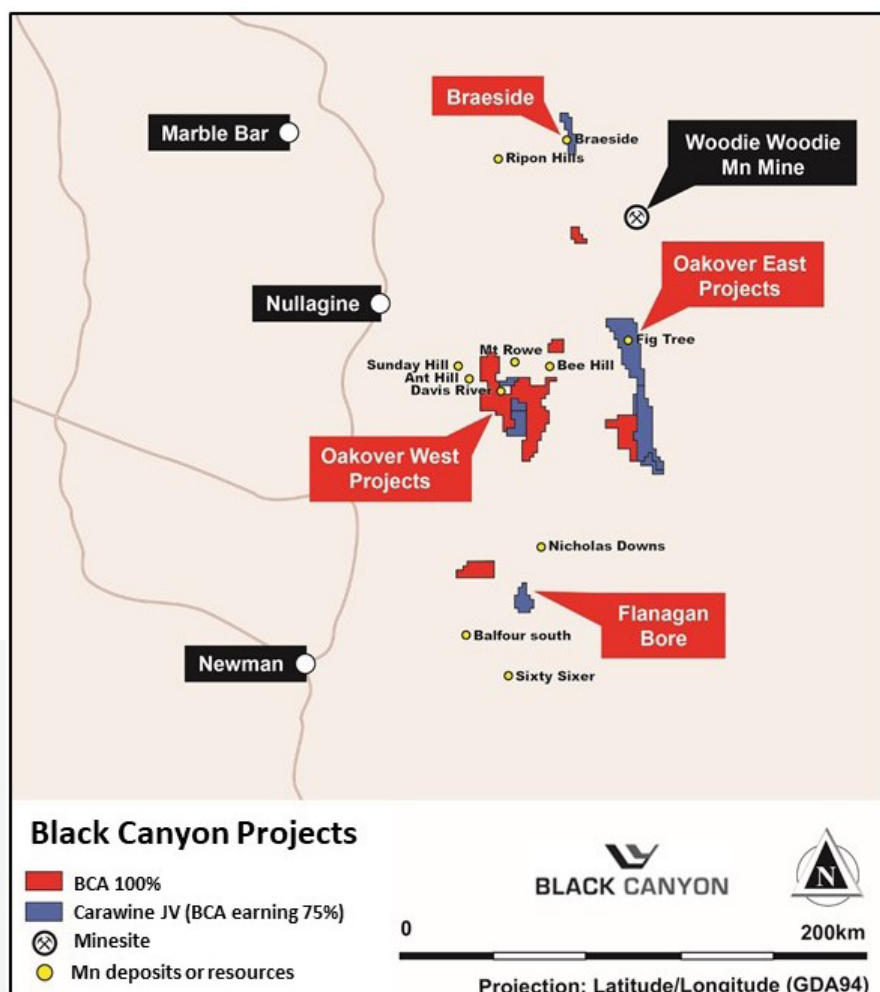
Black Canyon (ASX: BCA) listed on the ASX on the 5<sup>th</sup> May 2021 raising \$5m by issuing 25m new shares (\$0.20) to fund exploration activities targeting manganese, copper and cobalt in WA's Pilbara region.

Black Canyon has a farm-in and joint venture agreement with Carawine Resources Ltd (ASX:CWX), giving Black Canyon the right to earn an initial 51% interest and up to 75% in the Carawine Project.

The Carawine Project covers approximately 793km<sup>2</sup> of tenure located south of the operating Woodie-Woodie manganese mine, providing a large footprint in a proven and producing manganese belt. Black Canyon has also applied directly for another exploration license adjacent to the Carawine Project that will increase the total land holdings to over 1950km<sup>2</sup>. Manganese has attractive fundamentals with growing utilisation in the battery mineral sector and dwindling supply.

In addition to Carawine, the Company also acquired Zephyr Exploration Pty Ltd that has applied for exploration tenure over an area of 206km<sup>2</sup> at the Lofty Range Project located 30km west from ASX listed Element 25's Butcherbird Manganese Project. Element 25 is currently developing the world class Butcherbird deposit to produce high quality manganese concentrate and High Purity Manganese (HPM) products for traditional and new energy markets. Project locations are presented in Figure 1. This tenure was granted subsequent to the end of the financial year on 2 September 2021.

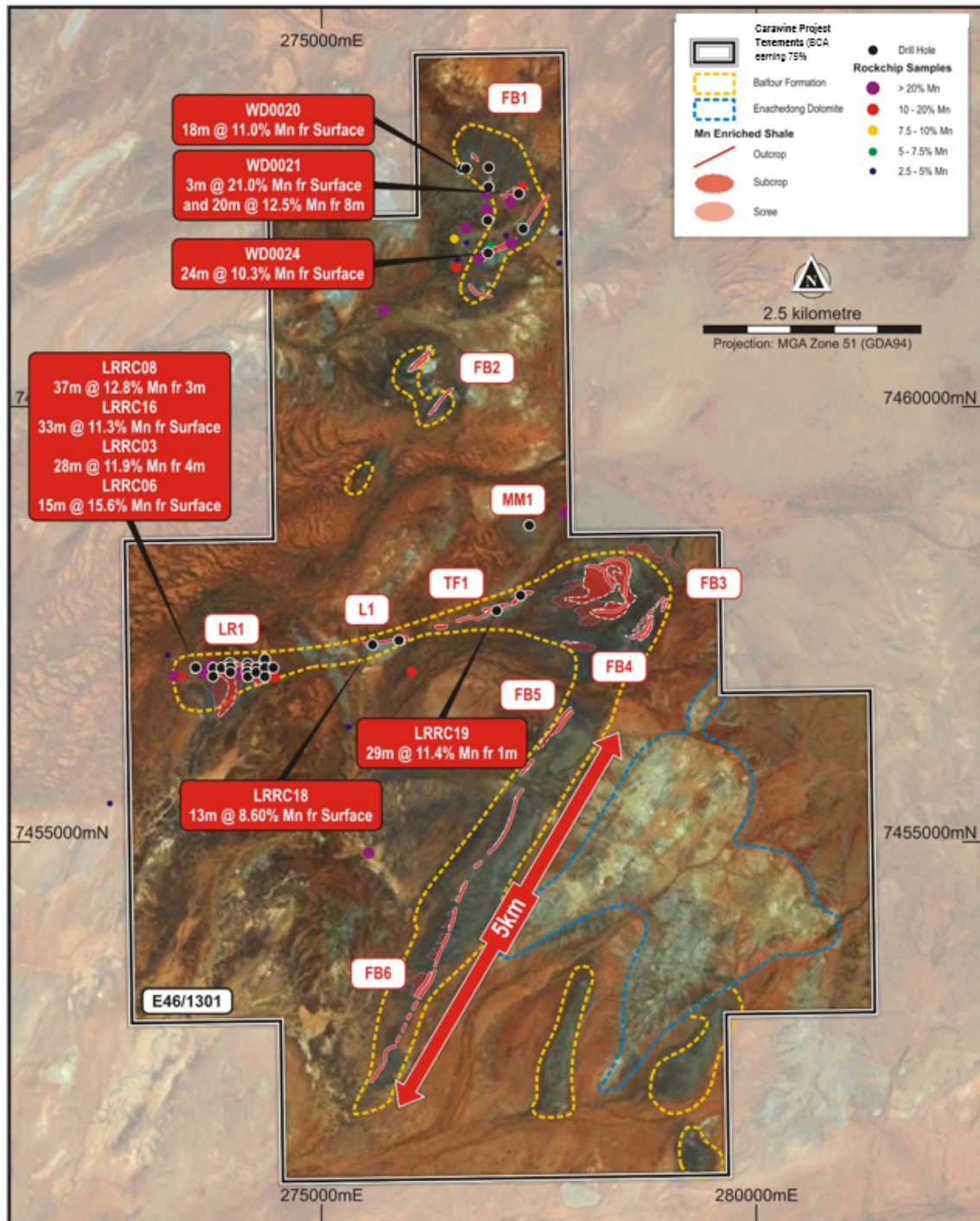
Since listing the Company's initial field programs focused on the underexplored Flanagan Bore tenement within its Carawine Projects located 120km northeast of Newman (Figure 2). Field assessments across the Flanagan Bore manganese prospects confirmed the presence of extensive surface mineralisation with previous drill results yielding thick intervals of manganese mineralisation across several areas



**Figure 1.**  
**Black Canyon Project locations**  
(BCA earn in right to 75% except Lofty Range which is 100% owned by BCA)

## FLANAGAN BORE PROSPECTS

Previous drilling at Flanagan Bore has returned thick intervals of supergene manganese mineralisation (Figure 2, and Table 1, refer ASX announcement 10 June). These historical drill results contain manganese and iron grades which have similar ranges to the Butcherbird manganese resources currently being developed by Element 25 Ltd and the Sixty Sixer manganese deposit (owned by Firebird Metals with a reported JORC Mineral Resource of 64Mt grading 10% Mn and 9% Fe<sup>1</sup>).



**Figure 2. Flanagan Bore with previous significant drill results, mapping updates and prospective manganese envelope.**

1. Refer to Section 3.7 of the Firebird Metals Limited Prospectus dated 16 March 2021.



### LR1 prospect:

Previous drilling at LR1 encountered thick intervals of manganese-enriched shales with a maximum thickness of 37m. The previous drilling has shown a mineralisation footprint in the order of 900 x 200m and the recent field investigations confirmed the flat-lying nature of the mineralisation and identified sub-cropping mineralisation a further 500m to south that appears to be part of the same horizon (Figure 3). This suggests the prospect is open at least another 500m to the south of the current drilling and remains open to the east under cover.

Significant results from the earlier program include:

- LRRC08 - 37m @ 12.8% Mn from 3m
- LRRC16 - 33m @ 11.3% Mn from surface
- LRRC03 - 28m @ 11.9% Mn from 4m
- LRRC06 - 15m @ 15.6% Mn from surface

Further manganese mineralisation maybe encountered under extensive sheetwash areas to the south and around the fold hinge to the north.

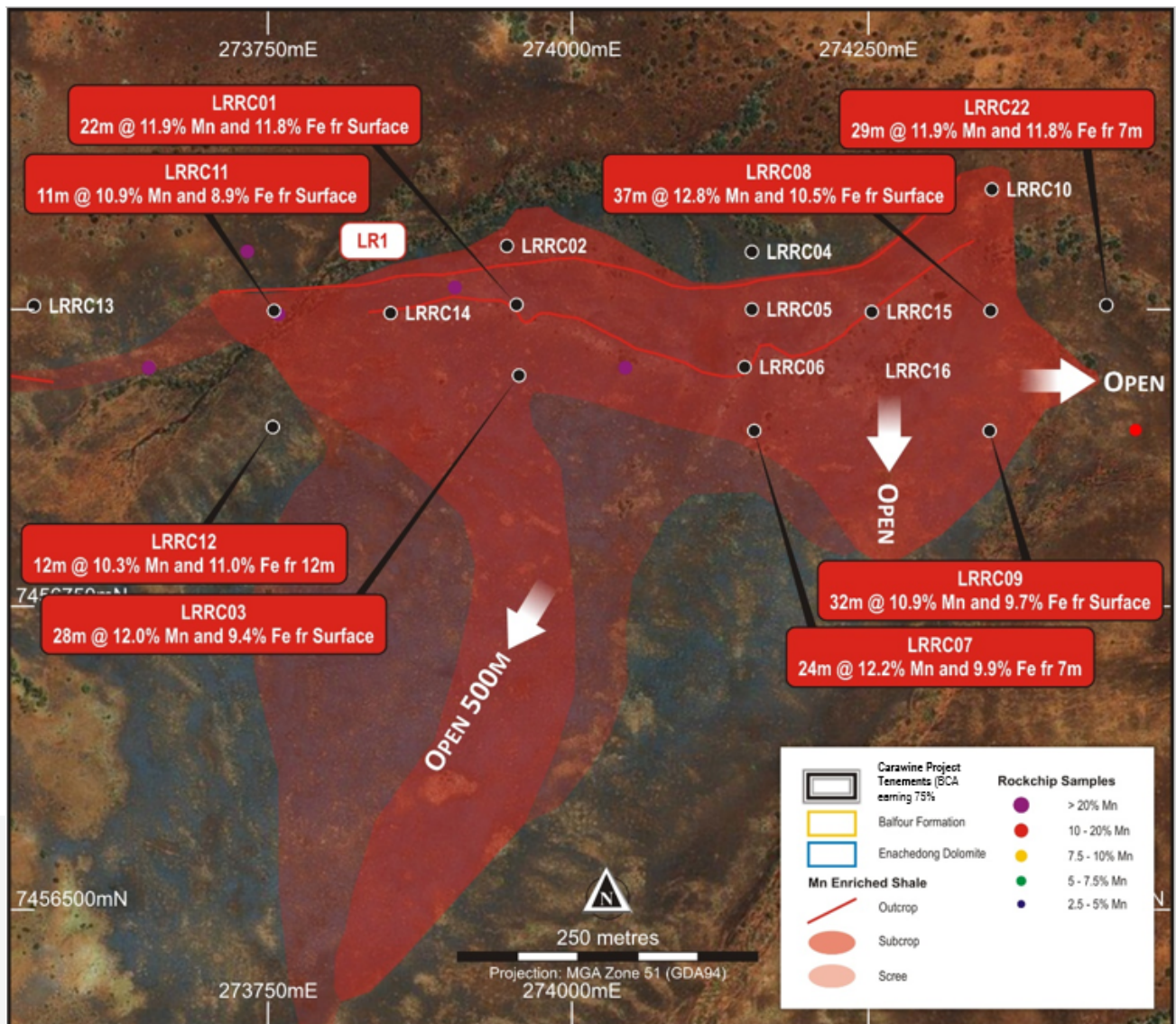


Figure 3. LR1 prospect with previous drill results and mapped sub-crop 500m to the south.



**Table 1. Previous drill results from Flanagan Bore RC drilling campaign**

Hole ID	Drill hole Collar Information							Interval				
	Prospect	East (GDA94)	North (GDA94)	RL	Depth (m)	Dip	Azimuth	From (m)	To (m)	Width (m)	Mn (%)	Fe (%)
LRRC01	LR1	273954	7457004	507	36	90	360	0	22	22	11.9	11.8
LRRC02	LR1	273946	7457053	504	24	90	360	No significant mineralisation				
LRRC03	LR1	273956	7456945	504	42	90	360	0	28	28	12	9.4
LRRC04	LR1	274150	7457048	501	24	90	360	No significant mineralisation				
LRRC05	LR1	274150	7457000	499	24	90	360	0	12	12	11.7	9.8
LRRC06	LR1	274144	7456952	501	30	90	360	0	15	15	15.8	9.8
LRRC07	LR1	274152	7456899	507	40	90	360	2	26	24	12.2	9.9
LRRC08	LR1	274349	7456999	502	42	90	360	0	37	37	12.8	10.5
LRRC09	LR1	274348	7456899	505	42	90	360	3	35	32	10.9	9.7
LRRC10	LR1	274350	7457100	502	20	90	360	0	19	19	12.5	9.8
LRRC11	LR1	273752	7456999	502	18	90	360	0	11	11	10.9	8.9
LRRC12	LR1	273751	7456902	503	24	90	360	12	24	12	10.3	11.0
LRRC13	LR1	273552	7457003	504	18	90	360	No significant mineralisation				
LRRC14	LR1	273849	7456997	503	30	90	360	0	21	21	10.2	8.5
LRRC15	LR1	274250	7456998	507	24	90	360	0	15	15	13.6	9.3
LRRC16	LR1	274249	7456949	503	41	90	360	0	15	15	11.3	11.4
LRRC17	L1	275588	7457263	508	18	90	360	No significant mineralisation				
LRRC18	L1	275890	7457316	510	24	90	360	0	13	13	8.6	9.1
LRRC19	TF1	277014	7457657	513	30	90	360	1	30	29	11.4	11.0
LRRC20	TF1	277289	7457833	520	18	90	360	0	5	5	10.8	11.2
LRRC21	MM1	277389	7458637	520	18	90	360	No significant mineralisation				
LRRC22	LR1	274446	7457003	505	42	90	360	7	36	29	11.9	11.8

#### **FB1/FB2 prospect:**

The manganese-enriched shales form a sequence of folds and comprise manganese shales with the thicker more prominent bands of manganese-enriched shale forming topographic rises. The fold noses appear to be buried under shallow cover (Figure 4).

Eight previous drill collars were identified covering an area of 1000m x 900m. The drill data has now been digitally captured and are summarised in Table 2. The mostly vertical down hole intersections ranged in thickness from 3m to 30m with an average weighted grade of 10.5% Mn and 8.2% Fe. Significant results from the previous drilling include:

- **18m @ 11.2% Mn from surface (WD0020)**
- **3m @ 21% Mn from surface and 20m @ 12.5% Mn from 8m (WD0021)**
- **24m @ 10.3% Mn from surface (WD0024)**

**Table 2. Previous drill results from the FB1 Flanagan Bore RC drilling campaign.**

Hole ID		Drill hole Collar Information						Interval				
	Prospect	East	North	RL	Depth (m)	Dip	Azimuth	From (m)	To (m)	Width (m)	Mn (%)	Fe (%)
		(GDA94)	(GDA94)									
WD0017	FB1	276923	7462748	513.77	42	90	360	No significant mineralisation				
WD0018	FB1	276614	7462740	516.86	48	90	360	2	23	21	10.1	8.3
WD0019	FB1	276662	7462737	517.64	36	90	360	3	14	11	8.1	7.8
WD0020	FB1	276920	7462525	518.22	30	90	360	0	18	18	11.2	8.3
WD0021	FB1	277267	7462451	518.78	36	90	360	0	3	3	21	11.4
							and	8	28	20	12.5	8.5
WD0022	FB1	276912	7462142	518.23	30	90	360	No significant mineralisation				
WD0023	FB1	277318	7462046	514.28	30	90	360	0	30	30	9.2	8.3
WD0024	FB1	276915	7461768	512.49	24	-60	125	0	24	24	10.3	8.1

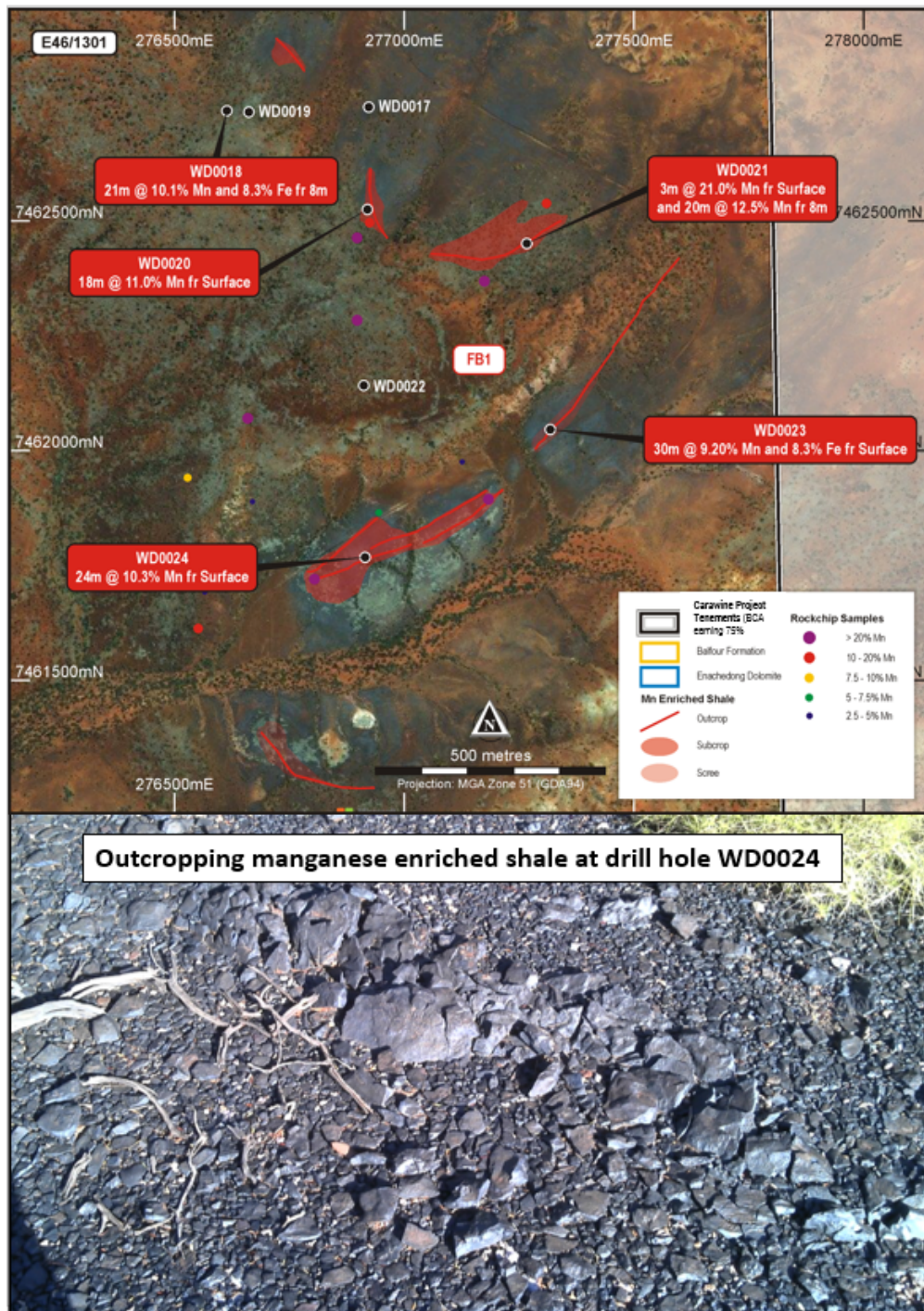


Figure 4. FB1 mapping, previous drill results and subcropping manganese enriched shale



### FB3/FB4 prospects

The FB3 prospect is defined by an arcuate synclinal fold nose plunging shallowly to the southwest with widespread areas of outcropping and sub-cropping manganese-enriched shale. The main fold nose is exposed over a strike of 400m and the interpreted shallow down plunge expression mapped up to 650m to the southwest (Figure 5). There is significant manganese-enriched shale remaining on surface at FB3 due to the subsequent weathering and removal of the softer interbedded clays and shales.

The FB4 prospect also shows a 500m long ridge of sub-cropping manganese-enriched shale underlain and interbedded with calcareous manganese shales.

The prospects have not been drilled to date and will be a priority target for drill testing.

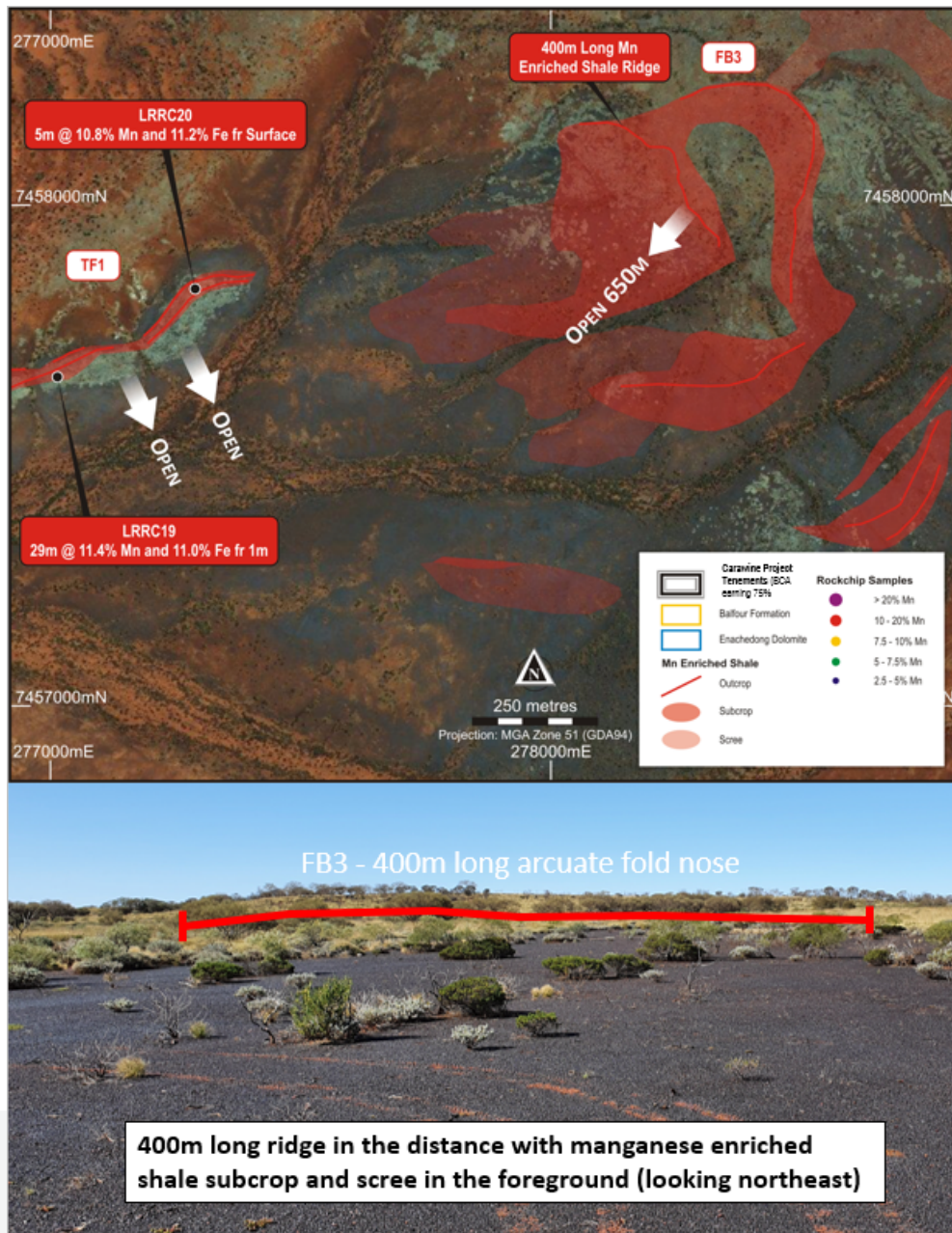


Figure 5. FB3 prospect showing the synclinal folded subcrop and shallow southeast dipping fold limb at TF1.

## FB5/FB6 Prospects

The FB5 prospect comprises a shallow west dipping sequence of manganese enriched shale (Figure 6) underlain by calcareous manganese rich shales and dolomites progressively to the east.

A 5000m long zone of manganese mineralisation has been mapped and the target has high potential to form a substantial zone of manganese enrichment which has never been drill tested.



*Figure 6. Subcropping Mn-enriched shale at the FB6 Prospect and detailed image showing platy Mn enriched shale bands (insert).*

## COVID-19 UPDATE

Black Canyon is continuing to review updates in relation to the COVID 19 pandemic and potential impacts to its exploration programs, drill schedules, health and wellbeing of its employees, contractors and other stakeholders. The Company has operational procedures and guidelines in-line with official health advice and government directives which can be modified in response to changing conditions.

Black Canyon is an active explorer and continues to progress its work programs subject to travel restrictions that maybe enforced. The Company has been affected by recent COVID 19 travel restrictions delaying the mobilisation of Heritage Surveys Teams to the Flanagan Bore Tenement. As a result the commencement of drill programs planned for the September quarter 2021 were delayed until the December quarter of 2021 when the Company anticipates Heritage clearances will be achieved – subject to COVID 19 travel restrictions.

## COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, Executive Director of Black Canyon Limited. Mr Cummins is a member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Black Canyon Limited.

## TENEMENT SCHEDULE

As at the date of listing, the Company had the right to Earn up to a 75% interest in the Carawine Project. As at the date of this report, the Company has not earned its initial interest.

Project	Tenement	Beneficial Interest at the date of this report
Carawine Project Farm In	E45/5145	Right to earn up to 75%
	E46/1245	Right to earn up to 75%
	E46/1099-1	Right to earn up to 75%
	E45/4958	Right to earn up to 75%
	E46/1116-1	Right to earn up to 75%
	E46/1119-1	Right to earn up to 75%
	E46/1301	Right to earn up to 75%
	E46/1069-1	Right to earn up to 75%
Lofty Range	EL52/3897	100%
Davis Creek	ELA46/1382	Under Application
Pickering Creek	ELA46/1404	Under Application
Davis North	ELA46/1406	Under Application
Wandanya	ELA46/1407	Under Application
Warawagine	ELA45/5954	Under Application

Note    EL – granted Exploration License  
          ELA – Exploration license in application



## DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2021.

### 1. DIRECTORS AND COMPANY SECRETARY

The names, qualifications, experience and special responsibilities of the Directors in office at any time during or since year-end are as follows:

- **Mr. Graham Ascough** *Chairman (Non-Executive Chairman) (Non-independent) (appointed 2 September 2013)*

**BSc in Geological Engineering (Geophysics)**

Graham Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas. He has had broad industry involvement ranging from playing a leading role in setting the strategic direction for significant country-wide exploration programs to working directly with mining and exploration companies. He is a member of AusIMM and is a Professional Geoscientist of Ontario, Canada..

He is presently the Non-Executive Chairman of Musgrave Minerals Ltd., Sunstone Metal Ltd., and PNX Metals Ltd.

- **Mr Brendan Cummins** *Executive Director (Non-Independent) (appointed 3 May 2013)*

**BSc (Hons)**

Mr. Cummins has over 25 years' experience as both mine and exploration geologist. The majority of his experience has been in exploration geology, resource definition and project evaluation across precious metal, base metal, iron ore and industrial minerals projects throughout Australia and overseas. He is currently a Technical Director at Westoria Capital and Non-Executive Director of Askari Metals Ltd. He has formerly served as a Non-Executive of Cradle Resources Limited.

He is a member of AIG (Member Id 2977).

- **Mr Adrian Hill** *Non-executive Director (Non-Independent) (appointed 4 May 2011)*

**BComm**, Chartered Accountant, Fellow of the Financial Institute of Australia

Mr Hill is a senior executive with over 25 years Australian and International experience in strategic and finance roles in the resources, energy infrastructure and investment banking industries. He has an established record in strategy development, operational management, investment analysis, transaction management, corporate structuring and capital raising.

Mr Hill holds a Bachelor of Commerce, is a Chartered Accountant, a Fellow of the Financial Institute of Australia and has a Certificate in Governance Practice from the Governance Institute of Australia

Mr Hill has formerly served as a non-executive director of Southern Crown Resources Limited.

- **Mr Simon Taylor** *Non-executive Director (Non-Independent) (appointed 2 September 2013)*

**B.Sc, MAIG, Gcert AppFin**

Mr Taylor is a geologist with over 25 years' experience in exploration, project assessment and development. He is Managing Director of Qklo Resources Ltd and a Non-Executive Director of Chesser Resources Ltd and Stellar Resources Limited.

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

### COMPANY SECRETARY

- **Mr Jay Stephenson.**

**MBA, FCPA, CPA (Canada) CMA (Canada), FCIS, FGIA, MAICD**

Mr Stephenson has been involved in business development for over 30 years, including approximately 24 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.

## DIRECTORS' REPORT

### 2. DIRECTORS' MEETINGS

The number of directors' meetings attended by each of the Directors of the Company who hold or held office during the financial year was:

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
G. Ascough	3	3	<i>At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.</i>							
B. Cummins	3	3								
A. Hill	3	3								
S. Taylor	3	3								

### 3. DIRECTORS' INTERESTS

The relevant interests of Directors in the shares and options of the Company up to the date of this report were as follows:

	Shares No.	Options <sup>1</sup> No.	Performance Rights No.
<b>2020</b>			
G. Ascough	733,334	-	250,000
B. Cummins	983,834	-	583,334
A. Hill	983,333	-	583,334
S. Taylor	733,333	-	250,000
	<b>3,433,834</b>	<b>-</b>	<b>1,666,668</b>
<b>2021</b>			
G. Ascough	1,133,334	58,334	-
B. Cummins	1,617,168	41,667	-
A. Hill	1,616,666	41,667	-
S. Taylor	1,183,333	58,333	-
	<b>5,550,501</b>	<b>200,001</b>	<b>-</b>

- The Options were received as free attaching options to shares acquired during the seed capital raise in February 2021.

*The aggregate number of shares acquired/(disposed or consolidated) directly or indirectly by Directors during the year since the date of the prior year report, up to the date of this report was:*

G. Ascough	400,000	-	<b>-250,000</b>
B. Cummins	633,334	-	<b>-583,334</b>
Adrian Hill	633,333	-	<b>-583,334</b>
S. Taylor	450,000	-	<b>-250,000</b>
	<b>2,116,667</b>	<b>-</b>	<b>-1,666,668</b>

The Performance Rights were converted to Shares upon the Group listing on ASX on 5 May 2021.

### 4. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was achieving a listing on ASX and the commencement of mineral exploration activities..

### 5. OPERATING RESULTS

For the 2021 financial year the Group delivered a loss before tax of \$841,898 (2020: \$68,437 loss).

## 6. REVIEW OF OPERATIONS

The Group listed on the ASX on 5 May 2021 following the successful raise of \$5m. Refer to the detailed review of operations - overview on page 4 of the Annual Report.

## 7. DIVIDENDS

The Directors have not paid an interim dividend nor do they recommend the payment of a final dividend.

## 8. FINANCIAL POSITION

The net assets of the Group have increased from 30 June 2020 by \$4,955,106 to \$5,010,494 at 30 June 2021 (2020: \$55,388).

As at 30 June 2021, the Group's cash and cash equivalents increased from 30 June 2020 by \$4,717,400 to \$4,777,879 at 30 June 2021 (2020: \$60,479). and had working capital of \$4,672,447 (2020: \$55,388 working capital), as noted in Note 10.

The consolidated entity's financial position has enabled the Group to limit its borrowings to internal parties and not to external financial institutions. This maintains a satisfactory working capital ratio.

The directors believe the Group is in a satisfactorily stable financial position to continue its current operations.

## 9. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the year ended 30 June 2021.

## 10. EVENTS SUBSEQUENT TO REPORTING DATE

The Group announced on 2 September 2021, that the Lofty Range tenement, owned by Zephyr Exploration Pty Ltd, the subsidiary of the Company was granted. In accordance with the Binding Heads of Agreement with the vendors of Zephyr Explorations Pty Ltd, the Group issued 1,000,000 Shares to the vendors of Zephyr.

Other than as noted above, there were no significant events after the end of the reporting period.

## 11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Consolidated Entity are referred to in the review of operations - overview on page 4 of the Annual Report.

## 12. DIRECTORS' SHAREHOLDINGS, CONTRACTS AND BENEFITS

Since the end of the previous financial year no Director of the Company has received, or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or a Company in which the Director has a substantial financial interest, other than as disclosed in the remuneration report below.

## 13. REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

- (a) Principles used to determine the nature and amount of remuneration
- (b) Details of remuneration
- (c) Service agreements
- (d) Equity instruments disclosure relating to Key Management Personnel
- (e) Share-based compensation
- (f) Loans to / from Key Management Personnel
- (g) Transactions with Related Parties of Key Management Personnel

The information provided in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001* (Cth).



(a) **Principles used to determine the nature and amount of remuneration**

The following report determines the principles used to determine the nature and amount of remuneration. The Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The role also includes responsibility for share option schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

The Board will review the arrangements having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Executives capable of managing the Company's activities.

The practices of negotiation and annual review of Executive Directors' performance and remuneration are carried out by the Non-Executive Directors of the Board. The Chairman of the Board who makes recommendations to the full board, undertakes, in an informal way, the review of the Non-Executive Directors remuneration.

The Board will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director and or Executive. At these meetings, the particular Director and/or Executive will declare his/her interest and not vote, as well he/she will depart from the meeting, so as not to be present whilst the issue is being discussed.

Given the nature and size of the Company there has been no requirement to engage the services of a remuneration consultant for the year ended 30 June 2021.

*i. Remuneration of Non-executive Directors*

Total remuneration for Non-executive Directors is not to exceed \$250,000 per annum, excluding options which are approved separately at a general meeting. Non-Executive Directors' fees are set with reference to fees paid to other Non-Executive Directors of comparable companies and are presently \$65,000 per annum plus superannuation for the Non-Executive Chair and \$45,000 per annum plus superannuation for the Non-Executive Directors. The Executive Director receives a fee of \$240,000 per annum plus superannuation. Non-Executive Director's remuneration is reviewed annually by the Non-executive Directors of the Board.

*ii. Share trading policy*

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy, publicly available via the ASX.

*iii. Remuneration Framework*

The executive remuneration framework has two components:

- base pay and benefits, including superannuation where applicable; and
- long term incentives. No long-term incentives have been granted as at the date of this report.

The executive remuneration mix is consistent with that of an exploration company in that pay is currently not based on the performance of the Company and both components of the executives target pay are not at risk.

(b) Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Company for the year ended 30 June 2021 are set out in the following tables.

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments:		Options as a percentage of remuneration
	Cash, salary & fees	Non-monetary <sup>5</sup>	Super-annuation	Options	Total	
	\$	\$	\$	\$	\$	%
<b>2021</b>						
Mr G. Ascough <sup>1</sup>	17,573	50,000	-	-	67,573	-
Mr. B. Cummins <sup>2</sup>	53,750	116,667	5,106	-	175,523	-
Mr. A. Hill <sup>3</sup>	19,937	116,667	-	-	136,604	-
Mr. S. Taylor <sup>4</sup>	7,500	50,000	713	-	58,213	-
	98,760	333,334	5,819	-	437,913	-

1. Graham Ascough is paid as a consultant a total annual fee of \$71,500 per annum.
2. Brendan Cummins is paid as an employee an annual salary of \$240,000 per annum plus Superannuation for an 80% workload. Days worked in excess of 80% are charged at \$1,250 per day.
3. Adrian Hill is paid as a consultant a total annual fee of \$49,500 per annum.
4. Simon Taylor is paid as an employee an annual salary of \$45,000 per annum plus Superannuation.
5. Non-monetary benefits comprise performance rights valued at \$0.20 per performance right which have been converted to shares upon listing of the Company.

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments:		Options as a percentage of remuneration
	Cash, salary & fees	Non-monetary	Super-annuation	Options	Total	
	\$	\$	\$	\$	\$	%
<b>2020</b>						
Mr. G. Ascough	-	-	-	-	-	-
Mr. B. Cummins	-	-	-	-	-	-
Mr. A. Hill	-	-	-	-	-	-
Mr. S. Taylor	-	-	-	-	-	-
	-	-	-	-	-	-

**(c) Service agreements**

Each Director has entered into a service agreement with the Group. Refer to the footnote within Part B for detail.

**(d) Equity instruments disclosure relating to Key Management Personnel**

**i. Shareholdings**

Number of shares held by Parent Entity Directors and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at start of year No.	Received during the year as compensation No.	Received during the year on conversion of performance rights No.	Other changes during the year No.	Balance at end of year No.
<b>2021</b>					
Mr. G. Ascough	616,667	-	250,000	266,667	1,133,334
Mr. B. Cummins	900,501	-	583,334	133,333	1,617,168
Mr. A. Hill	899,999	-	583,334	133,333	1,616,666
Mr. S. Taylor	616,666	-	250,000	316,667	1,183,333
	3,033,833	-	1,666,668	850,000	5,550,501

<sup>(1)</sup> Other changes during the year represent shares acquired in the January 2021 Seed capital raise and the Initial Public Offering

	Balance at start of year No.	Received during the year as compensation No.	Received during the year on conversion of performance rights No.	Other changes during the year No.	Balance at end of year No.
<b>2020</b>					
Mr G. Ascough	616,667	-	-	-	616,667
Mr. B. Cummins	900,501	-	-	-	900,501
Mr. A. Hill	899,999	-	-	-	899,999
Mr. S. Taylor	616,666	-	-	-	616,666
	3,033,833	-	-	-	3,033,833

**ii. Options**

	Balance at start of year No.	Granted as remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and exercisable No.	Not vested No.
<b>2021</b>							
Mr G. Ascough	-	-	-	58,333	58,333	58,333	-
Mr. B. Cummins	-	-	-	41,667	41,667	41,667	-
Mr. A. Hill	-	-	-	41,667	41,667	41,667	-
Mr. S. Taylor	-	-	-	58,333	58,333	58,333	-
	-	-	-	200,000	200,000	200,000	-
<b>2020</b>							
Mr G. Ascough	-	-	-	-	-	-	-
Mr. B. Cummins	-	-	-	-	-	-	-
Mr. A. Hill	-	-	-	-	-	-	-
Mr. S. Taylor	-	-	-	-	-	-	-
	-	-	-	-	-	-	-



### **iii. Equity Instruments issued on conversion of performance rights**

There were 1,666,668 equity instruments issued during the period to Directors or other key management personnel as a result of the conversion of performance rights issued.

#### **(e) Loans to / from Key Management Personnel**

There were no loans owing to / from Key Management Personnel on 30 June 2021.

#### **(f) Transactions with Related Parties of Key Management Personnel**

There are no other significant related party transactions not already identified at the 30 June 2021 year end.

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

## **15. LOANS TO DIRECTORS AND EXECUTIVES**

No loans have been made to Directors of Black Canyon Limited and the specified executives of the consolidated entity, including their personally-related entities.

## **16. SHARES UNDER OPTION**

There were 3,125,009 options for ordinary shares of Black Canyon Limited at the date of this report.

## **17. LIABILITY INSURANCE**

The Company has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims of negligence.

## **18. ENVIRONMENTAL REGULATION**

The mining leases granted to the Company pursuant to Mining Acts are granted subject to various conditions, which include standard environmental requirements. The Company adheres to these conditions and the Directors are not aware of any contraventions of these requirements.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the first measurement period the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

## **19. NON-AUDIT SERVICES**

During the year, Hall Chadwick Audit (WA) Pty Ltd, the Group's auditor, prepared the Investigating Accountant's Report for the Initial Public Offering Prospectus.

Details of remuneration paid to the auditor can be found within the financial statements at Note 17 Auditor's Remuneration on page 52.

In the event that non-audit services are provided by Hall Chadwick Audit (WA) Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Group' and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The Directors are satisfied that the provision of non-audit services by Hall Chadwick Audit (WA) Pty Ltd (or by another person or firm on Hall Chadwick Audit (WA) Pty Ltd's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

## **20. 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.

## **21. AUDITORS INDEPENDENCE DECLARATION**

A copy of the auditors' independence declaration as required under s307C of the *Corporations Act 2001* (Cth) is set out on page 21 .

## **22. AUDITORS**

The auditor, Hall Chadwick Audit (WA) Pty Ltd continues in accordance with s327 of the *Corporations Act 2001* (Cth).

## **23. ROUNDING OF AMOUNTS**

The Company is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s298(2) of the *Corporations Act 2001* (Cth).



**GRAHAM ASCOUGH**

Non-Executive Chairman

Dated: 28 September 2021

## AUDITORS INDEPENDENCE DECLARATION

HALL CHADWICK 

### AUDITOR'S INDEPENDENCE DECLARATION BLACK CANYON 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 Black Canyon Limited.

As audit partner of Black Canyon Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



Hall Chadwick Audit (WA) Pty Ltd  
ABN 42 163 529 682



Nikki Shen  
Director

Dated 28 September 2021

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[hallchadwickwa.com.au](http://hallchadwickwa.com.au)

PO Box 1288 Subiaco WA 6904  
283 Rokeby Rd Subiaco WA 6008  
T: +61 8 9426 0666

## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at the date of this Annual Report and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company will, as at the date it is admitted to the official list of the ASX, follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Plan is available on the Company's website at [www.blackcanyon.com.au](http://www.blackcanyon.com.au).

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b> (a) A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.  The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.  A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.
<b>Recommendation 1.2</b> A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	YES	a) The Company has guidelines for the appointment and selection of the Board and senior executives in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a director. In the event of an unsatisfactory check, a director is required to submit their resignation.  b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a director.
<b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is personally a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.  The Company has written agreements with each of its directors and senior executives.
<b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the board, through the Chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.



## CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Recommendation 1.5</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) Have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>(c) disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(i) the measurable objectives set for that period to achieve gender diversity;</li> <li>(ii) either: <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</li> <li>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act. If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</li> </ul> </li> </ul> </li> </ul>	YES	<ul style="list-style-type: none"> <li>a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company’s website.</li> <li>b) The Diversity Policy allows the Board to set measurable gender diversity objectives and to continually monitor both the objectives and the Company’s progress in achieving them.</li> <li>c) The measurable diversity objectives for each financial year (if any), and the Company’s progress in achieving them, will be detailed in the Company’s Annual Report <ul style="list-style-type: none"> <li>i. The Board does not anticipate there will be a need to appoint any new Directors or senior executives due to the limited nature of the Company’s existing and proposed activities and the Board’s view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company’s plans;</li> <li>ii. If it becomes necessary to appoint any new Directors or senior executives, the Board will consider the application of the measurable diversity objectives and determined whether, given the small size of the Company and the Board, requiring specified objectives to be met will unduly limit the Company from applying the Diversity Policy as a whole and the Company’s policy of appointing the best person for the job;] and</li> <li>iii. The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes) for each financial year will be disclosed in the Company’s Annual Report.</li> </ul> </li> </ul>
<b>Recommendation 1.6</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	YES	<ul style="list-style-type: none"> <li>a) The Company’s Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company’s Corporate Governance Plan, which is available on the Company’s website.</li> <li>b) The Company’s Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process.</li> </ul>
<b>Recommendation 1.7</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	YES	<ul style="list-style-type: none"> <li>a) The Company’s Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company’s senior executives on an annual basis. The Company’s Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company’s senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.  The applicable processes for these evaluations can be found in the Company’s Corporate Governance Plan, which is available on the Company’s website.</li> <li>b) The Company’s Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes.  At this stage, due to the current size and nature of the existing Board and the magnitude of the Company’s operations, the Company has not appointed any senior executives.</li> </ul>

## Principle 2: Structure the board to be effective and add value

### Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
- (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

PARTIALLY

- a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director
- b) The Company does not have a Nomination Committee as the Board considers that the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:
- devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and
  - all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules

### Recommendation 2.2

A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.

YES

Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills to discharge its obligations effectively and to add value and to ensure the Board has the ability to deal with new and emerging business and governance issues.

The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. A copy will be available in the Company's Annual Report.

The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience will be available in the Company's Annual Report.

### Recommendation 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and the length of service of each Director

YES

- a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considers there are no independent Directors.
- b) There are no independent Directors and so this is not applicable.
- c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.

### Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

NO

The Company's Board Charter requires that, where practical, the majority of the Board should be independent.

[The Board currently comprises a total of 4 directors, of whom zero are considered to be independent. As such, independent directors currently do not comprise the majority of the Board.

The Board does not currently consider an independent majority of the Board to be appropriate given:

- (a) the speculative nature of the Company's business, and its limited scale of activities, means the Company only needs, and can only commercially sustain, a small Board of 4 Directors and no senior executives [other than the executive Director];
- (b) the Company considers at least one Director needs to be executive Director of the Company to be effectively

		<p>managed;</p> <p>(c) The Company considers it necessary, given its speculative and small-scale activities to attract and retain suitable Directors by offering Directors an interest in the Company, and</p> <p>(d) the Company considers it appropriate to provide remuneration to its directors in the form of securities in order to conserve its limited cash reserves.</p> <p>Despite not having an independent majority of Directors, the Company has one executive Director and one non-Executive Chairperson. The Non-Executive Chairperson has the casting vote at board meetings</p>
<p><b>Recommendation 2.5</b></p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	NO	<p>Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Chair of the Company is not an independent Director and is not the CEO/Managing Director.</p> <p>The Board does not have an independent Chair because it was not feasible due to the company's current size and Board structure.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p>	YES	<p>In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company.</p>
<p><b>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</b></p>		
<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values.</p>	YES	<p>(a) The Company are committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.</p> <p>(b) The Company's values are set out in its Code of Conduct (which forms part of the Corporate Governance Plan) and are available on the Company's website. All employees are given appropriate training on the Company's values and senior executives will continually reference such values.</p>
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p>	YES	<p>a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. Any material breaches of the Code of Conduct are reported to the Board or a committee of the Board.</p>
<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a whistle-blower policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</p>	YES	<p>The Company's Whistleblower Protection Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.</p>
<p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.</p>	YES	<p>The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.</p>

## Principle 4: Safeguard the integrity of corporate reports

### Recommendation 4.1

The Board of a listed entity should:

- (a) have an audit committee which:
  - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, who is not the chair of the board, and disclose:
    - (iii) the charter of the committee;
    - (iv) the relevant qualifications and experience of the members of the committee; and
    - (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

PARTIALLY (a)

The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair.

The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, as well as the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:

- (i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and
- (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting

### Recommendation 4.2

The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

YES

The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.

The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.

### Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

YES

The Company will include in each of its (to the extent that the information contained in the following is not audited or reviewed by an external auditor):

- (a) annual reports or on its website, a description of the process it undertakes to verify the integrity of the information in its annual directors' report;
- (b) quarterly reports, or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in its quarterly reports;
- (c) integrated reports, or in its annual report (if that is a separate document to its integrated report) or on its website, a description of the process it undertakes to verify the integrity of the information in its integrated reports; and
- (d) periodic corporate reports (such as a sustainability or CSR report), or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in these reports.



## Principle 5: Make timely and balanced disclosure

### Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

- YES
- a) The Company's Corporate Governance Plan details the Company's Continuous Disclosure policy.
  - b) The Corporate Governance Plan, which incorporates the Continuous Disclosure policy, is available on the Company's website.

### Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

- YES
- Under the Company's Continuous Disclosure Policy (which forms part of the Corporate Governance Plan), all members of the Board will receive material market announcements promptly after they have been made.

### Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

- YES
- All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.

## Principle 6: Respect the rights of security holders

### Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

- YES
- Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.

### Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

- YES
- The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.

### Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

- YES
- Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
- All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands.

### Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

- YES
- All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands

### Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

- YES
- The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.
- Shareholders queries should be referred to the Company Secretary at first instance.

## Principle 7: Recognise and manage risk

### Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.

- YES
- a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. A copy of the Corporate Governance Plan is available on the Company's website.
  - b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework, The Board devotes time at regular board meetings to fulfill the roles and responsibilities with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures

<p><b>Recommendation 7.2</b> The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>YES</p> <p>a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the Company's risk management framework has taken place.</p>
<p><b>Recommendation 7.3</b> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>YES</p> <p>The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of any internal audit procedures that may be in place.</p>
<p><b>Recommendation 7.4</b> A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>YES</p> <p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management to determine whether the Company has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risks.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risk.</p> <p>Where the Company does not have material exposure to environmental or social risks, report the basis for that determination to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers.</p> <p>The Company will disclose this information in its Annual Report.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b></p>	
<p><b>Recommendation 8.1</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>YES</p> <p>a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.</p> <p>b) The Company has a Remuneration Committee.] OR [The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>The Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives.</p>
<p><b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p> <p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the remuneration report contained in the Company's Annual Report as well as being disclosed on the Company's website.</p>
<p><b>Recommendation 8.3</b></p>	<p>YES</p> <p>a) The Company does not have an equity-based remuneration</p>

<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>scheme. The Company does not have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p>
<p><b>Additional recommendations that apply only in certain cases</b></p>	
<p><b>Recommendation 9.1</b> A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents</p>	<p>Not Applicable</p>
<p><b>Recommendation 9.2</b> A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p>Not Applicable</p>
<p><b>Recommendation 9.3</b> A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>Not Applicable</p>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue and other income	2	6,794	398
Administration expense		(150,971)	(3,657)
Professional Fees and legal		(166,324)	(267)
Employee benefit expense	3.1	(127,137)	-
Share based payments	3.2	(400,000)	-
Exploration and evaluation	3.3	(4,260)	(64,911)
<b>Loss before income tax</b>		<b>(841,898)</b>	<b>(68,437)</b>
Income tax expense/(benefit)	5	-	-
<b>Loss for the year</b>		<b>(841,898)</b>	<b>(68,437)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(841,898)</b>	<b>(68,437)</b>
Loss per share attributable to the ordinary equity holders of the Company		¢	¢
Basic (loss) per share	18	(0.062)	(0.004)
Diluted (loss) per share		(0.050)	(0.004)

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



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	6.1	4,777,879	60,479
Trade and other receivables	6.2	36,622	90
<b>Total current assets</b>		<b>4,814,502</b>	<b>60,569</b>
Non-current assets			
Plant and equipment	7.1	909	-
Mineral exploration and evaluation assets	7.2	537,138	-
<b>Total non-current assets</b>		<b>538,047</b>	<b>-</b>
<b>Total assets</b>		<b>5,352,549</b>	<b>60,569</b>
Current liabilities			
Trade and other payables	6.3	142,055	5,181
Deferred consideration	6.4	200,000	-
<b>Total current liabilities</b>		<b>342,055</b>	<b>5,181</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>342,055</b>	<b>5,181</b>
<b>Net assets</b>		<b>5,010,494</b>	<b>55,388</b>
Equity			
Contributed equity	8.1.1	5,932,584	242,150
Reserves	8.3	106,570	-
Accumulated losses		(1,028,660)	(186,762)
<b>Total equity</b>		<b>5,010,494</b>	<b>55,388</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Contributed equity \$	Share based payment reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2019</b>		242,150	-	(118,326)	123,824
Total comprehensive loss for the year		-	-	(68,437)	(68,437)
Contributions of equity, net of transaction costs	8.1.1	-	-	-	-
<b>Balance at 30 June 2020</b>		242,150	-	(186,763)	55,388
<b>Balance at 1 July 2020</b>		242,150	-	(186,763)	55,388
Total comprehensive loss for the year		-	-	(841,898)	(841,898)
Issue of Options		-	106,570	-	106,570
Contributions of equity, net of transaction costs	8.1.1	5,690,434	-	-	5,690,434
<b>Balance at 30 June 2021</b>		5,932,584	106,570	(1,028,660)	5,010,494

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash flow from operating activities			
Interests received		6,794	-
Payments to suppliers & employees		(344,090)	(859)
<b>Net cash (outflow) from operating activities</b>	6.1.1	<b>(337,296)</b>	<b>(859)</b>
Cash flow from investing activities:			
Purchase of property, plant, equipment			-
Payments for exploration expenditure assets		(35,738)	(14,759)
<b>Net cash (outflow) from investing activities</b>		<b>(35,738)</b>	<b>(14,759)</b>
Cash flow from financing activities:			
Proceeds from issue of shares (net of costs)		5,090,434	-
<b>Net cash inflow from financing activities</b>		<b>5,090,434</b>	<b>-</b>
<b>Net increase / (decrease) in cash held</b>		<b>4,717,400</b>	<b>(15,618)</b>
Cash and cash equivalents at the beginning of the period		60,479	76,097
<b>Cash and cash equivalents at the end of period</b>	6.1	<b>4,777,879</b>	<b>60,479</b>

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

In preparing the 2021 financial statements, Black Canyon Limited has grouped notes into sections under five key categories:

- Section A: How the numbers are calculated.....33
- Section B: Risk .....42
- Section C: Group structure.....46
- Section D: Unrecognised items.....47
- Section E: Other Information .....48

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

The financial report is presented in Australian dollars, except where otherwise stated.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### SECTION A. HOW THE NUMBERS ARE CALCULATED

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

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

#### NOTE 2 REVENUE AND OTHER INCOME

From continuing operations:

Interest – unrelated parties

Total revenue and other income

2021 \$	2020 \$
6,794	398
6,794	398

##### 2.1.1 Accounting Policy

###### a. Interest revenue

Interest revenue is recognised in accordance with Note 4.1 Finance income and expenses.

###### b. Other income

Other income is recognised when the Group obtains control over the funds, which is at the time of receipt.

All revenue is stated net of the amount of GST (Note 21.5 Goods and Services Tax (GST)).

#### NOTE 3 LOSS BEFORE INCOME TAX

Note

Loss before income tax has been determined after including the following expenses:

##### 3.1 Employment Costs:

- Salaries and Wages – Including Director Fees
- Superannuation

119,826	-
7,311	-
127,137	

##### 3.2 Share Based Payments:

- Shares issued on conversion of Performance Rights

400,000	-
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##### 3.3 Exploration and evaluation

- Tenements not continuing

4,260	64,911
-------	--------

##### 3.3.1 Accounting Policy

###### a. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave is expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

###### b. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

###### c. Long service leave

Any liability for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

**NOTE 4 OTHER SIGNIFICANT ACCOUNTING POLICIES RELATED TO ITEMS OF PROFIT AND LOSS****4.1 Finance income and expenses**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

**NOTE 5 INCOME TAX****Note****2021  
\$****2020  
\$****5.1 The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:**

Loss before income tax	(841,898)	(68,437)
Prima facie tax payable on loss from ordinary activities before income tax at 26% (2020: 27.5%)	(218,893)	(18,820)
Non-deductible expenses	15,765	-
Tax effect of allowable expenses	(203,128)	(18,820)
Tax effect of unrecognised tax losses utilised	203,128	18,820
	-	-

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

As at year end, tax losses carried forward amounted to \$389,890 (2020: \$186,762) that have the ability to be carried forward indefinitely for offset against future taxable profits of the Group. The recoupment of available tax losses as at 30 June 2021 are contingent upon the Group satisfying the following conditions:

- deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- the conditions for deductibility imposed by tax legislation continuing to be complied with and the company meeting either its continuity of ownership test or in the absence of satisfying that test the company can satisfy the same business test; and
- there being no changes in tax legislation which would adversely affect the Group from realising the benefits from the losses.

In the event that the Group fails to satisfy these conditions above or the Commissioner of Taxation challenges the Group's ability to utilise its losses, the Group may be liable for future income tax on assessable income derived by the company.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### 5.2 Accounting Policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### 6.1 Cash and cash equivalents

Cash at bank and on hand

2021 \$	2020 \$
4,777,879	60,479
4,777,879	60,479

##### 6.1.1 Cash Flow Information

###### a. Reconciliation of cash flow from operations to (loss)/profit after income tax

Operating loss after income tax

(841,898) (68,437)

###### **Add / (less) non-cash items:**

- Share based payments
- Exploration and evaluation assets written off

400,000 -  
4,260 64,911

###### **Non-cash changes in assets & liabilities:**

- Decrease/(increase) in receivables & prepayments
- Increase/(decrease) in payables

(36,532) (15)  
136,874 2,682

Cash flow from operations

(337,296) (859)

###### b. Non-cash Financing and investing activities

There are no non-cash financing and investing activities for the year ended 30 June 2021 (2020: nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

##### 6.1 Cash and cash equivalents (cont.)

###### 6.1.2 Accounting Policy

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

##### 6.2 Trade and other receivables

###### 6.2.1 Current

GST refundable

2021 \$	2020 \$
36,622	90
36,622	90

6.2.2 The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to and from subsidiaries. Risk exposure arising from current receivables is set out in Note 9.

The main purpose of non-derivative financial instruments is to raise finance for Group operations. Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

6.2.3 At reporting date, there are no receivables past their due date.

###### 6.2.4 Accounting Policy

Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

##### 6.3 Trade and other payables

Note

###### 6.3.1 Current:

###### Unsecured

Trade creditors

Accrued expenses

Other payables

Total unsecured liabilities

2021 \$	2020 \$
34,273	-
47,088	5,000
60,694	181
142,055	5,181

###### 6.3.2 Accounting Policy

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payables expected to be collected within 12 months of the end of the reporting period are classified as current liabilities. All other payables are classified as non-current liabilities.

Trade and other payables are classified as financial liabilities. Financial liabilities are measured at amortised cost using the effective interest method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

#### 6.4 Deferred Consideration

Note	2021 \$	2020 \$
	200,000	-
	200,000	-

Final payment for Zephyr Exploration Pty Ltd to be issued upon grant of tenement

The Group has a contingent liability to the Vendors of Zephyr Exploration Pty Ltd. Upon successful grant of the tenement owned by Zephyr Exploration, the Group must issue 1,000,000 Shares to the Vendors of Zephyr Exploration Pty Ltd at an issue price of \$0.20 per Share.

##### 6.4.1 Accounting Policy

##### *Initial Recognition and Measurement*

Deferred consideration are initially recognised if the probability of the event happening is greater than 50%. The measurement of the Deferred consideration is at the most likely value of the event.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

##### 6.5 Other Significant Accounting Policies related to Financial Assets and Liabilities

###### 6.5.1 Financial Instruments – Assets

###### a. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

###### b. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

###### c. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

###### i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### ii. Equity instruments

- The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.
- Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### d) Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### 6.5.2 Financial Instruments – Liabilities

#### a. Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

For financial liabilities measured at FVTPL, gains and losses, including any interest expenses will be recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

For financial liabilities measured at amortised cost, the effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### b. Recognition and derecognition

Regular way purchases of financial liabilities are recognised on trade-date, the date on which the Group commits to purchase the financial liability. Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

#### c. Measurement

At initial recognition, the Group measures financial liabilities at its fair value plus, in the case of financial liabilities not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial liabilities. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

### NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### 7.1 Plant and equipment

##### 7.1.1 Non-current:

Plant and equipment at cost  
Less accumulated depreciation

##### 7.1.2 Movements in Carrying Amounts

#### **Owned plant & equipment at cost:**

Brought forward  
Additions  
Disposals / adjustments to cost  
Closing Balance

#### **Accumulated Depreciation:**

Brought forward  
Depreciation expense  
Disposals / adjustments to cost  
Closing Balance

Note	2021 \$	2020 \$
	909	-
	-	-
	909	-
	-	-
	909	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

##### Plant and equipment (cont.)

##### 7.1.3 Accounting Policy

###### 7.1.3.1 Recognition and measurement

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

###### 7.1.3.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

###### 7.1.3.3 Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, as follows:

- Machinery 4-5 years
- Vehicles 3-8 years
- Furniture, fittings and equipment 5-11 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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.

###### 7.1.3.4 Derecognition and disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

#### 7.2 Mineral Exploration and Evaluation Assets

Note

##### 7.2.1 Non-current:

Exploration at cost:

Balance at the beginning of the year

Expenditure during the year

Balance at the end of the financial year

	2021 \$	2020 \$
	-	-
	537,138	-
	537,138	-

7.2.2 Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.

##### 7.2.3 Key Estimate – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets and in particular exploration assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and is dependent upon the ability of the Group to successfully continue exploration of all areas of interest and satisfy the requirements under AASB 6.

Specifically, the Company has reviewed its exploration tenements with regard to AASB 6 and have determined that:

- the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
- as the exploration is still ongoing, there is not sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

#### 7.2 Mineral Exploration and Evaluation Assets (cont.)

##### 7.2.4 Key Judgments – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated below. The carrying value of capitalised expenditure at reporting date is \$537,138 (2020: Nil).

During the financial year, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided that no impairment of its exploration assets was necessary.

##### 7.2.5 Accounting Policy

###### 7.2.5.1 Exploration and evaluation expenditure

Exploration, evaluation and development 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.

###### 7.2.5.2 Impairment of exploration and evaluation assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively sale, of the respective area of interest.

#### 7.3 Other Significant Accounting Policies related to Non-Financial Assets and Liabilities

##### 7.3.1 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 8 EQUITY

8.1 Issued capital	Note	2021 No.	2020 No.	2021 \$	2020 \$
Fully paid ordinary shares	8.1.1	39,733,835	14,567,661	5,932,584	242,150
<b>8.1.1 Ordinary shares</b>					
At the beginning of the year		14,567,661	14,567,661	242,150	242,150
• 18 Jan 2021: 2:1 Share Consolidation (shares round down)		(7,283,822)	-	-	-
Shares issued during the year:					
• 18 Jan 2021: Shares issued at \$0.12		4,449,996	-	534,000	-
• 5 May 2021: Shares issued at \$0.20 on conversion of performance rights		2,000,000	-	400,000	-
• 5 May 2021: Shares issued at \$0.20 as consideration for Zephyr Exploration Pty Ltd		1,000,000	-	200,000	-
• 5 May 2021: Shares issued at \$0.20 as part of Initial Public Offering		25,000,000	-	5,000,000	-
Transaction costs relating to share issues		-	-	(443,566)	-
At reporting date		39,733,835	14,567,661	5,932,584	242,150

#### 8.1.2 Terms and Conditions

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At 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.

#### 8.1.3 Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

### 8.2 Options

#### Note

	2021 No.	2020 No.
At the beginning of the year	-	-
Options issued during the year:		
• Options exercisable at 25c before 22 June 2023	2,125,009	-
• Options exercisable at 25c before 5 May 2024	1,000,000	-
At reporting date	3,125,009	-

### 8.3 Reserves

#### Note

	2021 \$	2020 \$
Option reserve	106,570	-
Balance at the end of the financial year	106,570	-

#### 8.3.1 Option reserve

The option reserve records the fair value of options issued to the Lead Manager of the Initial Public Offering.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### SECTION B. RISK

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

#### NOTE 9 FINANCIAL RISK MANAGEMENT

##### 9.1 Financial Risk Management and Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable, loans to and from subsidiaries. The main purpose of non-derivative financial instruments is to raise finance for Group operations. The Group does not speculate in the trading of derivative instruments.

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Group holds the following financial instruments:

##### Financial assets

- Cash and cash equivalents
- Trade and other receivables

##### Financial liabilities

- Trade and other payables
- Deferred consideration

Net financial instruments

	2021 \$	2020 \$
Cash and cash equivalents	4,777,879	60,479
Trade and other receivables	36,622	90
	4,814,502	60,569
Trade and other payables	142,055	5,181
Deferred consideration	200,000	-
	342,055	5,181
Net financial instruments	4,472,447	55,388

##### 9.2 Specific Financial Risk Exposures and Management

###### 9.2.1 Market risk

###### a. Price risk

The Group is currently exposed to equity securities by way of shares held in listed companies. The price risk for listed securities is immaterial in terms of the possible impact on profit or loss or total equity as a result of any increase/decrease in the price of traded securities. All listed investments are classed as level 1 of the fair value hierarchy. The Group is not currently exposed to commodity price risk.

###### b. Interest rate risk

Refer to 9.2.4 below

###### 9.2.2 Credit risk

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises from cash held at bank and principally from trade and other receivables including intercompany loans. The objective of the consolidated entity is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant.

The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated above.

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 9 FINANCIAL RISK MANAGEMENT (CONT.)

##### 9.2.3 Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the consolidated entity is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

All liabilities are current and will be repaid in normal trading terms

##### ■ Contractual Maturities

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

	Within 1 Year		Greater Than 1 Year		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Financial liabilities due for payment						
Trade and other payables	142,055	5,181	-	-	142,055	5,181
Deferred consideration	200,000	-	-	-	200,000	-
<b>Total contractual outflows</b>	<b>342,055</b>	<b>5,181</b>	<b>-</b>	<b>-</b>	<b>342,055</b>	<b>5,181</b>
Financial assets						
Cash and cash equivalents	4,777,879	60,479	-	-	4,777,879	60,479
Trade and other receivables	36,622	90	-	-	36,622	90
<b>Total anticipated inflows</b>	<b>4,814,502</b>	<b>60,569</b>	<b>-</b>	<b>-</b>	<b>4,814,502</b>	<b>60,569</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>4,472,447</b>	<b>55,388</b>	<b>-</b>	<b>-</b>	<b>4,672,447</b>	<b>55,388</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

##### 9.2.4 Cash flow and interest rate risk

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances. As such, this is not considered a material exposure and no sensitivity analysis has been prepared.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 9 FINANCIAL RISK MANAGEMENT (CONT.)

	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Non-interest bearing \$	Total \$
<b>2021</b>				
<b>Financial assets</b>				
Cash and deposits	4,777,879	-	-	4,777,879
Receivables	-	-	36,622	36,622
	4,777,879	-	36,622	4,814,501
<b>Financial Liabilities</b>				
Trade and other creditors	-	-	142,055	142,055
	-	-	142,055	142,055
<b>2020</b>				
<b>Financial assets</b>				
Cash and deposits	60,479	-	-	60,479
Receivables	-	-	90	90
	60,479	-	90	60,569
<b>Financial Liabilities</b>				
Trade and other creditors	-	-	5,181	5,181
	-	-	5,181	5,181

#### 9.2.5 Net fair value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 10 CAPITAL MANAGEMENT

Management controls the capital of the Group. Their objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

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

The consolidated entity is not subject to any externally imposed capital requirements.

The working capital position of the Group at 30 June 2021 and 30 June 2020 is as follows:

	Note	2021 \$	2020 \$
Cash and cash equivalents	6.1	4,777,879	60,479
Trade and other receivables	6.2	36,622	90
Trade and other payables	6.3	(142,055)	(5,181)
Working capital position		4,672,446	55,388



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

- (a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation
- (b) transactions with non-controlling interests, and
- (c) interests in joint operations.

A list of significant subsidiaries is provided in note 11. This note also discloses details about the group's equity accounted investments.

### NOTE 11 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Place of Incorporation	2021 Holding %	2021 Amount \$	2020 Holding %	2020 Amount \$
• Zephyr Exploration Pty Ltd	WA	100	400,000	-	-

Investments in subsidiaries are accounted for at cost and have been written down to nil.

The Group has no equity accounted investments at 30 June 2021 (30 June 2020: Nil)

The Company entered into a Binding Heads of Agreement in December 2020 to acquire 100% of the Issued Capital from the Shareholders of Zephyr Exploration for a consideration of 2,000,000 Shares in the Company at \$0.20 per share. The Consideration was payable in two tranches. Tranche one of 1,000,000 shares was payable upon the Company listing on ASX. Tranche two of the remaining 1,000,000 shares was payable upon the granting of the Lofty Range tenement., which was granted post year end. The purchase is treated as an asset acquisition with the purchase consideration recognised in Mineral Exploration and Evaluation Assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### SECTION D. UNRECOGNISED ITEMS

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

#### NOTE 12 COMMITMENTS

##### 12.1 Capital expenditure commitments payable:

Within one year
After one year but not more than five years
After five years
Total Exploration tenement minimum expenditure requirements

2021	2020
\$	\$
384,952	-
172,839	-
-	-
557,791	-

#### NOTE 13 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at year end.

#### NOTE 14 EVENTS SUBSEQUENT TO REPORTING DATE

There are no significant events after the end of the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### SECTION E. OTHER INFORMATION

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

##### NOTE 15 KEY MANAGEMENT PERSONNEL COMPENSATION

Short term employee benefits  
Post-employment benefits  
Share based payments

2021 \$	2020 \$
432,094	-
5,819	-
-	-
437,913	-

The names and positions of the Key Management personnel are as follows:

Mr Graham Ascough - Non-Executive Chairman  
Mr Brendan Cummins - Executive Director  
Mr Adrian Hill - Non-Executive Director  
Mr Simon Taylor - Non-Executive Director

##### NOTE 16 RELATED PARTY TRANSACTIONS

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

##### NOTE 17 AUDITORS' REMUNERATION

Remuneration of the auditors, Hall Chadwick Audit (WA) of the Group for:

- Preparation of Investigating Accountant's Report
- Auditing or reviewing the accounts

2021 \$	2020 \$
8,500	-
25,820	2,500
34,320	2,500

##### NOTE 18 EARNINGS PER SHARE (EPS)

###### 18.1 Reconciliation of earnings to profit or loss

Loss for the year

2021 \$	2020 \$
(841,898)	(68,437)

###### 18.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

2021 \$	2020 \$
13,566,988	14,567,661

###### 18.3 Earnings per share

Basic EPS (cents per share)

18.3

2021 \$	2020 \$
(0.062)	(0.004)

Diluted EPS (cents per share)

2021 \$	2020 \$
(0.050)	(0.004)

###### 18.4 Accounting Policy

###### 18.4.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

###### 18.4.2 Diluted earnings per share

Potential shares as a result of options outstanding at the end of the year are dilutive and therefore have been included in the calculation of diluted earnings per share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 19 SHARE-BASED PAYMENTS

#### 19.1 Share-based payments

- Recognised as Share-based payment expense

Gross share-based payments

2021 \$	2020 \$
400,000	-
400,000	-

Gross share-based payments are based on the issue of 2,000,000 Shares to the shareholders of Zephyr Exploration Pty Ltd at the listing price of \$0.20 per Share. As at the balance date, only 1,000,000 Shares have been issued and 1,000,000 Shares are recognised as a deferred consideration.

### NOTE 20 OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis and in determining the allocation of resources. Management continually assesses the Group's segments and has identified the operating segments based on the one principal location based on geographical areas and therefore different regulatory environments – Australia (2019: Australia). The Group operates predominantly in the minerals exploration and evaluation industry.

the Group currently operates materially in one business segment and one geographical segment as described above. Accordingly, the financial information presented in the statement of comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker.

#### 20.1 Accounting Policy

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Executive Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 21 PARENT ENTITY DISCLOSURES

##### 21.1 Financial Position of Black Canyon Limited

	2021 \$	2020 \$
Current assets	4,814,501	60,569
Non-current assets	546,052	-
<b>Total assets</b>	<b>5,360,553</b>	<b>60,569</b>
Current liabilities	342,053	5,181
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>342,053</b>	<b>5,181</b>
<b>Net assets</b>	<b>5,018,500</b>	<b>55,388</b>
Equity		
Contributed equity	5,932,584	242,150
Reserves	106,570	-
Accumulated losses	(1,020,654)	(186,762)
<b>TOTAL EQUITY</b>	<b>5,018,500</b>	<b>55,388</b>

##### 21.2 Financial Performance of Black Canyon Limited

Loss for the year	(833,893)	(68,437)
<b>Total comprehensive loss</b>	<b>(833,893)</b>	<b>(68,437)</b>

##### 21.3 Guarantees entered into by Black Canyon Limited

There are no guarantees entered into by Black Canyon Limited for the debts of its subsidiaries as at 30 June 2021 (2020: none).

##### 21.4 Contingent liabilities of Black Canyon Limited

There are no contingent liabilities as at 30 June 2021. (2020: none).

##### 21.5 Commitments of Black Canyon Limited

The commitments of Black Canyon Limited are the same as those for the Group disclosed in note 12.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 22 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 22.1 Basis of preparation

##### 22.1.1 Reporting Entity

Black Canyon Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at 283 Rokeby Road, Subiaco WA. These are the consolidated financial statements and notes of Black Canyon Limited (the Company) and controlled entity (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Black Canyon Limited, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

##### 22.1.2 Basis of accounting

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

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

The financial statements were authorised for issue on 29 September 2021 by the directors of the Company.

##### 22.1.3 Going Concern

The 30 June 2021 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$841,898 (2020: \$68,437 loss) and a net cash inflow from operating, investing, and financing activities of \$4,717,400 (2020: \$15,618 outflow).

As at 30 June 2021, the Company had working capital of \$4,472,447 (2020: \$55,388 working capital), as disclosed in Note 10 which was attributable to a successful capital raising of \$5,000,000 during the year

##### 22.1.4 Comparative Figures

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

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

#### 22.2 Principles of Consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

##### 22.2.1 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the parent, Black Canyon Limited and its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

## **22.3 Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flow.

## **22.4 Use of estimates and judgments**

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

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

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in 21.6.1

### **22.4.1 Critical Accounting Estimates and Judgements**

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed further at Note 7.2.3.

## **22.5 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS**

### **Standards and interpretations applicable to 30 June 2021**

In the period ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for the current financial reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

### **Standards and interpretations on issue not yet effective and adopted**

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 30 June 2021. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations issued but not yet effective and adopted on its business and, therefore, no further disclosures have been made in this regard.

## NOTE 23 COMPANY DETAILS

### The registered office of the Company is:

Address:

*Street:* 283 Rokeby Road

Subiaco WA 6008

*Telephone:* +61 (0)8 9426 0666

### The principle place of business of the Company is:

Address:

*Street:* 283 Rokeby Road

Subiaco WA 6008

## DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 30 to 57, are in accordance with the *Corporations Act 2001* (Cth) and:
    - (a) comply with Accounting Standards;
    - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in notes to the financial statements; and
    - (c) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company and Consolidated Group.
    - (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);
  2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Graham Ascough

**NON-EXECUTIVE CHAIRMAN**

Dated 28 September 2021



### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK CANYON LIMITED

#### Report on the Financial Report

##### Opinion

We have audited the accompanying financial report of Black Canyon Limited ( "the Company") and its controlled entity (collectively "the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Black Canyon Limited is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

##### Independence

We are independent of the Group in accordance with 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.



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[hallchadwickwa.com.au](http://hallchadwickwa.com.au)

PO Box 1288 Subiaco WA 6904  
283 Rokeby Rd Subiaco WA 6008  
T: +61 8 9426 0666

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the below matter, provide the basis for our audit opinion on the accompanying financial report.

**1. Carrying value of mineral exploration and evaluation assets – Note 7.2**

Why significant	How our audit addressed the key audit matter
<p>We identified the mineral exploration and evaluation assets of \$537,138 as at 30 June 2021 to be a key audit matter due to its significance and the level of judgement required by us in evaluating management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.</p> <p>In addition, the assessment of impairment of capitalised exploration and evaluation assets can be inherently difficult particularly in uncertain or depressed market conditions</p>	<p>Our work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest in, the budgeted and future exploration programmes planned for the areas, made inquiries of management, reviewed the Group's ASX announcements and the Directors' minutes as to the Group's future plans for the areas;</li> <li>For the area of interest, we assessed the Group's rights to tenure by corroborating to government registries/correspondences and evaluating agreements in place with other parties;</li> <li>We tested the additions to capitalised expenditure for the year by evaluating sample of recorded expenditure for consistency to underlying records, the requirements of the Group's accounting policy and requirements of AASB 6;</li> <li>Evaluating the competence, capabilities and objectivity of management's experts in the evaluation of impairment triggers and considered the Director's assessment of potential indicators of impairment; and</li> <li>Assessing that disclosures relating to the capitalised exploration and evaluation assets are in accordance with Australian Accounting Standards</li> </ul>



### Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report. The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report. In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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. We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

### Directors' Responsibilities 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 22.1.2, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards. In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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 Group'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 Group to cease to continue as a going concern. We 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. We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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. From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the Remuneration Report

#### Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Black Canyon Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

#### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in dark ink that reads "Hall Chadwick".

Hall Chadwick Audit (WA) Pty Ltd  
ABN 42 163 529 682  
Dated 28 September 2021

A handwritten signature in dark ink that appears to be "NS".

Nikki Shen  
Director

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

### 1 SHAREHOLDING AS AT 17 September 2021

#### a. Distribution of Shareholders

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	9	922	0.00
1,001 – 5,000	79	244,173	0.60
5,001 – 10,000	56	506,136	1.24
10,001 – 100,000	262	11,372,841	27.92
100,001 – and over	93	28,609,763	70.24
	499	40,733,835	100.00

#### b. Unmarketable Parcels

	Number Ordinary	Holders
Minimum \$500.00 parcel at \$0.30 per unit	1,667	20

#### c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

#### d. 20 Largest Shareholders — Ordinary Shares as at 17 September 2021

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Jetosea Pty Ltd	1,884,964	4.63
2.	Icon Custodians Pty Ltd <Cummins Family A/C>	1,567,168	3.85
3.	Samatzo Holdings Pty Ltd <Hill Family A/C>	1,566,666	3.85
4.	GP Securities Pty Ltd	1,398,512	3.43
5.	Taycol Nominees Pty Ltd	866,666	2.13
6.	Mr Graham Leslie Ascough and Mrs Patricia Lynn Ascough <Ascough S/F A/C>	853,333	2.09
7.	Silverpeak Nominees Pty Ltd <The RGM Hill A/C>	699,999	1.72
8.	KJLA Pty Ltd <Lingo Family A/C>	582,222	1.43
9.	Ms Letitia Burbury	533,333	1.31
10.	BNP Paribas Nominees Pty Ltd Hub 24 Custodial Serv Ltd <DRP A/C>	502,189	1.23
11.	Mr Simone Elizabeth Archer	500,000	1.23
12.	Letitia Burbury	500,000	1.23
13.	Jimzal Pty Ltd <Taylor Familys A/C>	500,000	1.23
14.	Marney Jane Woods	500,000	1.23
15.	Niharu Pty Ltd	475,000	1.17
16.	Mr Christopher George Vounasis and Mrs Chantelle Patricia Vounasis <Vounasis Family A/C>	442,500	1.09
17.	Cleland Projects Pty Ltd <CT A/C>	425,000	1.04
18.	Mr Mark Jefferson Gordon and Mrs Carmen Mihaela Gordon <Gordon Family Super A/C>	416,667	1.02
19.	Symington Pty Ltd	400,000	0.98
20.	Energy-X Resources Pty Ltd <WJB S/F A/C>	366,830	0.90
		<b>14,981,051</b>	<b>36.78</b>

## **2 COMPANY SECRETARY**

The name of the Company Secretary is Jay Stephenson.

## **3 PRINCIPAL REGISTERED OFFICE**

As disclosed in the Corporate Directory of this Annual Report.

## **4 REGISTERS OF SECURITIES ARE HELD AT THE FOLLOWING ADDRESSES**

As disclosed in the Corporate Directory of this Annual Report.

## **5 STOCK EXCHANGE LISTING**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate Directory of this Annual Report.

## **6 UNQUOTED SECURITIES**

### **a. Options over Unissued Shares**

The Company currently has 3,125,009 options on issue (2020: nil).

## **7 USE OF FUNDS**

The Company has used its funds in accordance with its initial business objectives.



**Black Canyon Limited**  
283 Rokeby Road  
Subiaco, WA, 6008

**Telephone**  
+61 8 9426 0666

**Email**  
[info@blackcanyon.com.au](mailto:info@blackcanyon.com.au)



**BLACK CANYON**