

Panther Metals Ltd
ABN 27 614 676 578

Annual Report for the year ended 31 December 2020

Panther Metals Ltd
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on Panther Metals Ltd (referred to hereafter as the 'company') for the year ended 31 December 2020.

Directors

The following persons were directors of Panther Metals Ltd during or since the end of the year:

Daniel Tuffin (appointed 29 January 2021)

Kerim Sener

Ranko Matic (appointed 27 January 2021)

David Groves (appointed 1 April 2020 and resigned 25 May 2021)

Darren Hazelwood (appointed 18 March 2019 and resigned 21 May 2021)

Principal activities

The principal activities of the company is mineral exploration.

Dividends

No dividends were paid or declared during the financial period. No dividend has been recommended.

Review of operations

The loss for the company after providing for income tax for the 12 months ending 31 December 2020 was \$71,710 (six months to 31 December 2019: \$16,639 loss).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial year

On 27 February 2021 the company changed its status from a proprietary company to a public company.

On 10 March 2021 the company consolidated its issued capital on the basis that every 1.52224 shares be consolidated into one share with the resulting impact being that the holding at the time of 38,056,000 shares be consolidated and reduced to an amount of 25,000,000 shares.

In April 2021 the company sold its investment in Parthian Resources (HK) Limited to its parent company Panther Metals PLC.

On 14 May 2021 the company consolidated its issued capital on the basis that every 1.25 shares be consolidated into one share with the resulting impact being that the holding at the time of 25,000,000 shares be consolidated and reduced to an amount of 20,000,000 shares.

On 1 June 2021 the company raised \$300,000 through the issue of 3,000,000 shares to be spent on exploration activities.

On 1 September 2021 the company raised \$300,000 through the issue of 3,000,000 shares to fund Initial Public Offering (IPO) costs and working capital.

On 1 September 2021 the company issued one ordinary share to Panther Metals PLC in full and final satisfaction of amounts previously owing by the company to Panther Metals PLC of \$343,162.

The company is also planning to raise \$5 million at \$0.20 per share via an IPO to fund further exploration activities utilizing leading industry techniques.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There have been no other matters or circumstances that have arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Information on directors

Name:	Daniel Tuffin (appointed 29 January 2021)
Title:	Managing Director and Chief Executive Officer
Qualifications, experience and expertise:	<i>BEng, BSc, DipPM, FAusIMM(CP), MAICD</i> Mr. Daniel Tuffin is the founder and MD of successful mine consulting firm Auralia Mining Consulting and is a hands-on mining engineer with over 20 years experience. His career began in iron ore and gold projects in WA and later extended internationally. He's established many successful companies and mining projects, including co-founding private Kalgoorlie gold mining venture Rose Dam Resources, discovering and then privately co- developing the RDSW open pit, which to date has produced over 30koz of gold. Daniel has a wealth of experience specific to Panther, having worked in the Merolia area both onsite at the Granny Smith mine, and as a consultant for mine engineering planning work on the nearby Euro and Fish deposits. As the co-founder of Roman Kings, he developed the nearby WA Crawford and Gambier Lass North Projects, later vending them into the Kingwest IPO (ASX:KWR) for \$3.6m in scrip. He's also developed assets in the NT within his Montejinni Resources company prior to their vend into Tempest Minerals (ASX:TMR) for their IPO in 2017. He is currently the Technical Director of Leonora gold float Mount Malcolm Mines NL (ASX:M2M).

Name:	Kerim Sener
Title:	Non- Executive Chairman
Qualifications, experience and expertise:	<i>BSc(Hons), MSc, PhD, FGSL, MIMM, MSEC</i> Dr. Kerim Sener has over 21 years in the mining and mineral exploration industry and has been responsible for the discovery of over 3.8Moz of gold in Eastern Europe and instrumental in the development of Ariana Resources plc (AIM: AAU) into an active gold mine in Turkey. He takes an entrepreneurial approach to mineral exploration, having been involved in several successful IPOs on the LSE, TSX-V and the ASX. He is actively involved in developing an Eastern European exploration strategy for Venus Minerals and Western Tethyan Resources. He completed his PhD at UWA on orogenic gold systems in the Pine Creek Orogen and is therefore one of few who could be considered a geological expert on Panther's Northern Territory assets. Kerim is also currently Non-Executive Chairman of Panther Metals plc (LSE: PALM).

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Directors' report
31 December 2020

Name: Ranko Matic (appointed 27 January 2021)
Title: Executive Director, Company Secretary and Chief Financial Officer
Qualifications, experience and expertise: *B.Bus, CA*

Mr. Ranko Matic is a Chartered Accountant with over 30 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Ranko is a director of a chartered accounting firm and a corporate advisory company based in Perth, and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Ranko has been involved in an advisory capacity to over 40 initial public offerings and other re-capitalisations and re-listings of ASX companies in the last 20 years. Ranko is currently a non-executive director of ASX listed companies Australian Gold & Copper Ltd and East Energy Resources Ltd. Mr Matic has also acted as Chief Financial Officer and Company Secretary for companies in the private and public listed sector and continues to hold various roles in this capacity with publicly listed companies.

Name: David Groves (appointed 1 April 2020 and resigned 25 May 2021)
Title: Non- Executive Director
Qualifications, experience and expertise: *BSc (Hons), PhD*

Dr. David Groves is an economic geologist and Emeritus Professor at the University of Western Australia. He was President of the Geological Society of Australia from 1994 to 1996 and President of the Society of Economic Geologists from 2001 to 2002. He received the Clarke Medal of the Royal Society of New South Wales in 1986, the Royal Society of Western Australia Medal in 2005, and the Penrose Gold Medal of the Society of Economic Geologists in 2009.

Name: Darren Hazelwood (appointed 18 March 2019 and resigned 21 May 2021)
Title: Non- Executive Director
Qualifications, experience and expertise:

Mr. Darren Hazelwood has built a business career around sound financial planning, execution, delivery and value creation. An entrepreneur and investor who has over 15 years' experience managing and directing teams focused on delivering value within organisations, always with a keen focus on cost controls and great financial management insuring delivery of value. Darren's recognition of the value created by using and expanding his network, combined with a strong focus on delivery, has enabled him to deliver on an enviable track record of business growth. His pathway to success has been gained using astute controls and due diligence while managing fast growth and success. Hazelwood Glass Ltd, a start-up, headed by Darren, has recorded year on year growth, and only posting a negative return in its first year. A keen focus on deal delivery and network identification laying the foundations for growth.

Meetings of directors

There were no directors' meetings held during the financial period. The company does not have a formally constituted audit committee or remuneration committee as the board considers that the company's size and type of operation do not warrant such committees.

Shares under option

There were no shares of Panther Metals Ltd under option at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Panther Metals Ltd that were issued during the financial period and up to the date of this report on the exercise of options granted.

Indemnity and insurance of officers

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

During the financial period, the company has not paid a premium in respect of a contract to insure the directors or executives of the company or any related entity.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Criterion Audit Pty Ltd were appointed on 29 June 2021 as per section 327A of the Corporations Act 2001.

Non-audit services

No amounts were paid or payable to the auditor for non-audit services provided during the year ended 31 December 2020.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Ranko Matic
Executive Director
6 September 2021
Perth

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

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

As lead audit director for the audit of the financial statements of Panther Metals Ltd for the financial period ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 6th day of September 2021

Panther Metals Ltd
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General information

The financial statements cover Panther Metals Ltd. The financial statements are presented in Australian dollars, which is Panther Metals Ltd's functional and presentation currency.

Panther Metals Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Level 2, 22 Mount Street
PERTH WA 6000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 6 September 2021. The directors have the power to amend and reissue the financial statements.

Panther Metals Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	12 months ended December 2020 \$	6 months ended December 2019 \$
Interest income	123	7
Consultancy fees	(10,403)	(4,586)
Marketing fees	(42,966)	-
Director fees	(3,750)	-
Administrative fees	(7,514)	(558)
Impairment expense	(6,966)	(11,502)
Foreign exchange loss	(234)	-
Loss before income tax	(71,710)	(16,639)
Income tax expense	-	-
Loss after income tax expense for the period	(71,710)	(16,639)
Other comprehensive income	-	-
Total comprehensive loss for the period	(71,710)	(16,639)
Basic and diluted loss per share (cents per share) for loss attributable to ordinary equity holders of the Company	(0.19)	(0.04)

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The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Panther Metals Ltd
Statement of financial position
As at 31 December 2020

	Notes	2020 \$	2019 \$
Current assets			
Cash and cash equivalents		427,194	8,926
Other assets	2	86,006	-
Trade and other receivables		3,291	-
Total current assets		516,491	8,926
Non current assets			
Exploration and evaluation expenditure	3	380,479	3,288
Trade and other receivables	4	483,681	130,482
Total non current assets		864,160	133,770
Total assets		1,380,651	142,696
Current liabilities			
Trade and other payables	5	1,313,665	4,000
Total current liabilities		1,313,665	4,000
Total liabilities		1,313,665	4,000
Net assets		66,986	138,696
Equity			
Issued capital	6	445,600	445,600
Accumulated losses		(378,614)	(306,904)
Total equity		66,986	138,696

The above statement of financial position should be read in conjunction with the accompanying notes

Panther Metals Ltd
Statement of changes in equity
For the year ended 31 December 2020

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	445,600	(290,265)	155,335
Loss after income tax expense for the period	-	(16,639)	(16,639)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period, net of tax	-	(16,639)	(16,639)
Contributions of equity	-	-	-
Balance at 31 December 2019	445,600	(306,904)	138,696
Balance at 1 January 2020	445,600	(306,904)	138,696
Loss after income tax expense for the period	-	(71,710)	(71,710)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period, net of tax	-	(71,710)	(71,710)
Balance at 31 December 2020	445,600	(378,614)	66,986

The above statement of changes in equity should be read in conjunction with the accompanying notes

Panther Metals Ltd
Statement of cash flows
For the year ended 31 December 2020

	Notes	12 months ended December 2020 \$	6 months ended December 2019 \$
Cash flow from operating activities			
Payments to suppliers and employees		(131,593)	(7,725)
Interest received		123	7
Net cash used in operating activities	15	(131,470)	(7,718)
 Cash flow from investing activities			
Payments for exploration and evaluation		(227,403)	(2,277)
Loans from/(to) related entities		777,141	(58,243)
Net cash received from/(used in) investing activities		549,738	(60,520)
 Net increase/(decrease) in cash and cash equivalents		418,268	(68,238)
Cash and cash equivalents at the beginning of the financial period		8,926	77,164
Cash and cash equivalents at the end of the financial period		427,194	8,926

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

None of the new or amended Accounting Standards and Interpretations are relevant to the company.

Basis of preparation

These special purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates and judgements

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

In the opinion of the directors, there have been no other significant estimates or judgements used in the preparation of this financial report.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

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

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Exploration and evaluation expenditure

Exploration and evaluation expenditures are written off as incurred, except when such costs are expected to be recouped through successful development and exploitation, or sale, of an area of interest. In addition, exploration assets recognised on acquisition of an entity are carried forward provided that exploration and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

The expenditure carried forward when recovery is expected represents an accumulation of direct net exploration and evaluation costs incurred by or on behalf of the company and applicable indirect costs, in relation to separate areas of interest for which rights of tenure are current.

If it is established subsequently that economically recoverable reserves exist in a particular area of interest, resulting in the decision to develop a commercial mining operation, then in that year the accumulated expenditure attributable to that area, to the extent that it does not exceed the recoverable amount for the area concerned, will be transferred to mine development. As such it will be subsequently amortised against production from that area. Any excess of accumulated expenditure over recoverable amounts will be written off to profit or loss.

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Notes to the financial statements
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Trade and other payables

These amounts include liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Issued capital

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.

Earnings Per Share

(i) 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, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

The current period relates to the 12 month ended 31 December 2020, with the prior comparative period being six months ended 31 December 2019.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company has not commenced trading and incurred a loss before income tax for the 12 months ending 31 December 2020 of \$71,710 (six months to 31 December 2019: loss of \$16,639) and had net cash outflows from operating activities for the 12 months ending 31 December 2020 of \$131,470 (six months to 31 December 2019: \$7,718 outflow). As at 31 December 2020, the company had net current liabilities of \$797,174 (31 December 2019: net current assets of \$4,926).

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreaks as a pandemic. These events are having a significant impact and recovery from the COVID-19 is unknown but it may have an impact on the company's activities and potentially impact on being able to raise capital in an uncertain market.

In context of this operating environment, the ability of the company to continue as a going concern is depending on securing additional funding through debt or equity to continue to fund its operational activities. These conditions indicate a material uncertainty that may cause a significant doubt about the entity's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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For the year ended 31 December 2020

The directors believe that there are reasonable grounds to believe that the company will continue as a going concern, after consideration of the following factors:

- The company is pursuing an initial public offering to the Official List of the Australian Securities Exchange to raise funding to continue commercialisation of the business.
- In accordance with the Corporations Act 2001, the company has plans to raise further working capital through the issue of equity.
- The company continues to keep costs at a minimum in order to conserve cash reserves for the next 12 months; and
- The company will continue to receive financial support from Panther Metals PLC for the next 12 months to assist in meeting Panther Metals Ltd's obligations as and when they fall due.

Accordingly, the Directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings and that the financial reports does not include any adjustments relating to the recoverability and classification or recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern and meet its debts as and when they become due and payable. The directors plan to continue the company's operations on the basis as outlined above and believe there will be sufficient funds for the company to meet its obligations and liabilities for at least twelve months from the date of this report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company is not able to continue as a going concern.

Note 2. Other assets

	2020	2019
	\$	\$
Prepayments	86,006	2,553

- Prepayments comprise of prepaid public relations fees and surveying fees.

Note 3. Exploration and evaluation expenditure

	2020	2019
	\$	\$
Carrying amount at beginning of the period	3,288	1,011
Expenditure incurred during the period	99,051	2,277
Expenditure acquired during the period (i)	278,140	-
	<u>380,479</u>	<u>3,288</u>

- i. On 17 December 2020 the company acquired the Merolia Gold Project, located near Laverton in Western Australia. Consideration for the acquisition of the project was comprised of:
 - issue of 734,470 shares in Panther Metals PLC, the ultimate holding company of Panther Metals Ltd.
 - cash consideration of \$112,550.

Management has determined that the acquisition does not meet the definition of a business within AASB 3 Business Combinations. This transaction has been accounted for as an asset acquisition.

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For the year ended 31 December 2020

Note 4. Trade and other receivables

	2020	2019
	\$	\$
Intercompany loan – Panther Metals (Canada)	483,681	30,254
Intercompany loan - Panther Metals PLC	-	100,228
	<u>483,681</u>	<u>130,482</u>

Note 5. Trade and other payables

	2020	2019
	\$	\$
Trade creditors and accrued expenses	9,470	4,000
Intercompany loan – Panther Metals PLC	1,304,195	-
	<u>1,313,665</u>	<u>4,000</u>

Note 6. Issued capital

	2020	2019	2020	2019
	Shares	Shares	\$	\$
Ordinary shares – fully paid	<u>38,056,000</u>	<u>38,056,000</u>	<u>445,600</u>	<u>445,600</u>

Movements in ordinary share capital

There were no movements in ordinary share capital during the year ended 31 December 2020.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 7. Loss per share

	12 months ended December 2020	6 months ended December 2019
	\$	\$
a) Reconciliation of earnings to profit or loss:		
Loss used to calculate basic and diluted EPS	<u>(71,710)</u>	<u>(16,639)</u>
	Number	Number
b) Weighted average number of ordinary shares used as the denominator in calculating basic EPS	38,056,000	38,056,000
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>38,056,000</u>	<u>38,056,000</u>
	Cents	Cents
c) Basic and diluted loss per share	(0.19)	(0.04)

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Note 8. Events after the reporting period

On 27 February 2021 the company changed its status from a proprietary company to a public company.

On 10 March 2021 the company consolidated its issued capital on the basis that every 1.52224 shares be consolidated into one share with the resulting impact being that the holding at the time of 38,056,000 shares be consolidated and reduced to an amount of 25,000,000 shares.

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The company is also planning to raise \$5 million at \$0.20 per share via an IPO to fund further exploration activities utilizing leading industry techniques.

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There have been no other matters or circumstances that have arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 9. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Criterion Audit Pty Ltd, the auditor of the company:

	12 months ended December 2020 \$	6 months ended December 2019 \$
<i>Audit services – Criterion Audit Pty Ltd</i>		
Audit or review of the financial statements	4,000	4,000

Note 10. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company for the financial year was \$3,750 (2019: nil).

Note 11. Contingent assets

There were no contingent assets as at 31 December 2020.

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Note 12. Contingent liabilities

There were no contingent liabilities as at 31 December 2020.

Note 13. Commitments

In order to maintain current rights of tenure, the company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant State Governments. These obligations are not provided for in the financial report and are payable as follows:

	31 December 2020 \$	31 December 2019 \$
Less than one year	266,877	268,500
Between one and five years	483,760	653,479
Greater than five years	1,630	9,658
	<u>752,267</u>	<u>931,637</u>

The above represents commitments over the tenure of the tenements held by the company.

Note 14. Related party transactions

Refer to notes 4 and 5 for outstanding Intercompany Loans.

Note 15. Reconciliation of loss after income tax to net cash from operating activities

	12 months ended December 2020 \$	6 months ended December 2019 \$
Loss after income tax expense for the period	(71,710)	(16,639)
<u>Non-cash items</u>		
Payments made by related entities on behalf of the company	-	(2,824)
Impairment expense	6,966	11,502
Changes in assets and liabilities:		
- Decrease in receivables and other assets	(71,317)	730
- Increase/(decrease) in trade and other payables	4,591	(487)
Net cash used in operating activities	<u>(131,470)</u>	<u>(7,718)</u>

Panther Metals Ltd
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ranko Matic
Executive Director
6 September 2021
Perth

Criterion Audit Pty Ltd

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Independent Auditor's Report

To the Members of Panther Metals Ltd

Report on the Audit of the Financial Report

Opinion

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

In our opinion, the accompanying financial report of Panther Metals Ltd is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 1 to the annual report, which indicates that the Company incurred a net loss of \$71,710 and as of that date, the Company had net operating cash outflows of \$131,470. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes 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 preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Criterion Audit

CRITERION AUDIT PTY LTD

Watts

CHRIS WATTS CA
Director

DATED at PERTH this 6th day of September 2021