DMC MINING LIMITED

ABN 25 648 372 516

FINANCIAL REPORT

FOR THE PERIOD ENDED

30 JUNE 2021

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The directors present their report, together with the financial statements, on the company for the period ended 30 June 2021.

Directors
The following persons were directors of the company from 2 March 2021 up to the date of this report, unless otherwise stated:

Bruce Franzen – Director/Company Secretary

(B.Bus. FCPA, FFin)
Age – 52 years

Mr Franzen is a certified practicing accountant with over 30 years' local and international experience within large, complex organizations in the resources sector. Bruce has substantial executive-level and board experience executing finance and commercial roles related to exploration and development of large capital resource projects. He has recently held a Senior finance leadership position with major Canadian gold producer, Kirkland Lake Gold, where he was focused on underground mining operations at the world renowned Fosterville gold mine in Victoria. Bruce has also held past senior finance positions for large companies such as Woodside Energy, Inpex and Origin Energy.

He served as an Executive director, Co-founder, Company Secretary and Chief Financial Officer of the former DMC Mining Limited from 2006 – 2009 up until its AUD$50mill takeover and subsequent delisting. He was a former Chief Financial Officer and Company Secretary for Globe Metals & Mining Limited from 2007 – 2009. He also previously served as an Executive director, Co-founder, Company Secretary and Chief Financial Officer of Riedel Resources Limited from 2010 – 2014.

David Sumich – Director

(B.Bus MAICD)
Age - 52 Years

Mr. Sumich is a Mining Executive with over 25 years' experience in the mining industry, including 10 years as CEO/Managing Director of ASX listed exploration companies (the former DMC Mining Ltd 2007 – 2010, Volta Mining Ltd 2010 - 2017) and also as Chairman of ASX listed Globe Metals and Mining Ltd.

Mr Sumich has led multiple successful IPO's and capital raisings, including Globe Metals and Mining which culminated in a final equity capital raising of A$50mill direct placement to East China Mineral Exploration & Development Bureau ("ECE") for 50.1% equity, and also the former DMC Mining, whereby he oversaw feasibility studies on the Project and finally orchestrated the $A50mill on-market cash takeover of the company. Recently, Mr Sumich was part of the Development and Production Team of Rio Tinto at the Marandoo Iron Ore expansion in the Pilbara, Western Australia.

Mr Sumich has a Bachelor of Business degree and has been a Member of the Australian Institute of Company Directors for 15 years

William (Bill) Witham) – Director

(B.Sc. (Hons) Geology)
Age - 56 Years

Mr Witham is an experienced company director with a successful track-record in the mining & metals industry. He is skilled in mineral exploration, corporate finance, and government relations. He has strong technical experience in copper, lithium, uranium, and gold commodities, in particular.

Mr Witham has held senior executive roles across the Australian and African resources sector for over two decades and has worked directly in Namibia, Botswana, Cameroon, Congo, Gabon, Egypt, Niger and South Africa.

He has further experience in member-based organisation leadership, including with the Chamber of Minerals & Energy WA (Government Relations and Policy), National Party WA (Corporate Director) and South Coast Natural Resource Management Inc. (Chair). He is currently CEO of Australia – Africa Minerals and Energy Group (AAMEG), the peak body supporting Australian mining companies in Africa.

Colin Locke - Director

Age - 54 Years

Mr Locke has 30 years' experience in business management, mining and financial services. From 1984 to 1993, Mr Locke worked in the mining industry processing base and precious metals. During this time, he traded resource stocks and international futures contracts.

In 1993, Mr Locke joined an Australian commodity broking firm as an Investment Advisor and became a Director in 1994. In 1998 Mr Locke founded the boutique Australian Financial Services firm, CK Locke & Partners where he held the role of Managing Director from 1999 until 2010.

In 2007 Mr Locke acted as Corporate Advisor during the acquisition process for the Mayoko iron ore project in the Republic of Congo by the former DMC Mining Limited, that was subsequently taken over in 2010 for A$50mill and later on sold for over A$300mill.

In 2015, Mr Locke became Executive Chairman of Krakatoa Resources Limited, a position he currently holds.

Principal activities
During the period the principal activities was to explore and evaluate Nickel, gold, copper and other base metals resources on mining tenements held or to be acquired.

Dividends
No dividends paid during the period.

Review of operations
The loss for the company after providing for income tax amounted to $54,676.

Significant changes in the state of affairs

The Company was incorporated on 2 March 2021 for the purpose of identifying, acquiring and developing prospective nickel, copper, gold and other base metal assets.

On 8 April 2021, the Company (Purchaser) signed a binding term sheet with Iskar Mining Pty Ltd (Vendor), to grant to the Purchaser an exclusive option to acquire the Isker Shares (Option). The Option will lapse on the date that is 6 months from the date of the Term Sheet (or such later date as agreed in writing by the Parties) (Option Period). Either Party may terminate the Term Sheet by notice in writing to the other Party upon the expiry of the Option Period, and the Parties will be released from their obligations under this Term Sheet (other than in respect of any breaches that occurred prior to termination).

The Acquisition is subject to:

(a) the Purchaser exercising the Option pursuant to clause (b); and

(b) the satisfaction (or waiver) of the conditions precedent,

the Purchaser will acquire a 100% legal and beneficial interest in the Isker Shares, free from all encumbrances or third party interests, for the consideration referred to in clause **Error! Reference source not found.** (Acquisition).

The Purchaser has agreed to provide the following consideration to the Vendors (or its nominee/s) for the Acquisition, in such proportions amongst the Vendors as notified by the Vendors (Consideration):

(a) the Deposit being a non refundable cash payment of $5,000; and

(b) subject to the valid exercise of the Option and the satisfaction (or waiver, where relevant) of the Conditions Precedent:

(i) a cash fee of $52,500 as reimbursement of expenditure incurred in respect of the Romany Tenements (Cash Fee);

(ii) the Purchaser will issue to the Vendors (and/or their nominee/s) 875,000 Shares (at a deemed issue price equal to the IPO listing price) (Consideration Shares); and

(iii) the Purchaser will issue to the Vendors (and/or their nominee/s), 700,000 Options (exercisable at $0.30 and expiring on the date that is 3 years from the date of issue) (Consideration Options).

On 8 April 2021, the Company (Purchaser) signed a binding term sheet with Romany Minerals Pty Ltd (Vendor), to grant to the Purchaser an exclusive option to acquire the Romany Shares (Option). The Option will lapse on the date that is 6 months from the date of the Term Sheet (or such later date as agreed in writing by the Parties) (Option Period). Either Party may terminate the Term Sheet by notice in writing to the other Party upon the expiry of the Option Period, and the Parties will be released from their obligations under this Term Sheet (other than in respect of any breaches that occurred prior to termination).

The Acquisition is subject to:

(a) the Purchaser exercising the Option pursuant to clause (b); and

(b) the satisfaction (or waiver) of the conditions precedent,

the Purchaser will acquire a 100% legal and beneficial interest in the Romany Shares, free from all encumbrances or third party interests, for the consideration referred to in clause **Error! Reference source not found.** (Acquisition).

The Purchaser has agreed to provide the following consideration to the Vendors (or its nominee/s) for the Acquisition, in such proportions amongst the Vendors as notified by the Vendors (Consideration):

(a) the Deposit being a non refundable cash payment of $5,000; and

(b) subject to the valid exercise of the Option and the satisfaction (or waiver, where relevant) of the Conditions Precedent:

(i) a cash fee of $22,500 as reimbursement of expenditure incurred in respect of the Romany Tenements (Cash Fee);

(ii) the Purchaser will issue to the Vendors (and/or their nominee/s) 375,000 Shares (at a deemed issue price equal to the IPO listing price) (Consideration Shares); and

(iii) the Purchaser will issue to the Vendors (and/or their nominee/s), 300,000 Options (exercisable at $0.30 and expiring on the date that is 3 years from the date of issue) (Consideration Options).

Subject to the successful completion of the Binding Term Sheets with Isker and Romany, DMC will hold ten exploration licences being the Fraser Range Project located in the Albany-Fraser Orogen, Western Australia.

On 14 April 2021, DMC completed a seed capital raising of shares to sophisticated and institutional investors to raise a total of $40,000 (before costs) by issuing 2,000,000 shares at $0.02 per share.

On 19 May 2021, DMC has entered a binding term sheet with Witby Industrial Minerals Pty Ltd (ACN 630 553 427)(Witby) pursuant to which Witby has granted DMC an option to acquire a tenement E74/669, Ravensthorpe Nickel Project. The acquisition is subject to several conditions including DMC receiving conditional ASX approval for the admission of DMC to the official list of the ASX. Should the acquisition complete, Witby will receive $7,000 cash as well as 100,000 Shares. DMC's Director, William Witham (together with Katherine Witham Jensen), is a 50% shareholder of Witby.

On 20 May 2021, DMC advised Witby of its intention to exercise the option on E74/669 Ravensthorpe Nickel Project.

On 3 June 2021, DMC completed a second seed capital raising of shares to sophisticated and institutional investors to raise $400,000 (before costs) by issuing 4,000,000 shares at $0.10 per share. The seed capital raisings were undertaken to provide working capital funding for further exploration work on the tenements and to facilitate the proposed listing on ASX (IPO)

On 7 June 2021, DMC advised both Isker and Romany of its intention to exercise the options over the Fraser Range Project.

There were no other significant changes in the state of affairs of the company during the period ended 30 June 2021.

Matters subsequent to the end of the financial period

On 13 July 2021, binding term sheet with Witby Industrial Minerals Pty Ltd (ACN 630 553 427)(Witby) pursuant to which Witby has granted DMC an option to acquire the tenement E74/669 Ravensthorpe Nickel Project, was amended to extend the option period to 1 November 2021.

The impact of the Coronavirus ('COVID-19') pandemic is ongoing for the company up to 30 June 2021, 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.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The Directors expect that the company will continue to carry on exploration and evaluation of the tenement(s).

Environmental regulation
The company is subject to environmental regulation under Australian Commonwealth and/or State law.

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2021.

Indemnity and insurance of officers
The company has indemnified 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, except where there is a lack of good faith.

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.

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.

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

Bruce Franzen
Director

Dated at Perth this 8th day of September 2021

Advisory • Audit
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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF DMC MINING LIMITED

In relation to our audit of the financial report of DMC Mining Limited for the period ended 30 June 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

8 September 2021
WEST PERTH,
WESTERN AUSTRALIA

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GENERAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2021

General information

The financial statements cover DMC Mining Limited as an individual entity. The financial statements are presented in Australian dollars, which is DMC Mining Limited's functional and presentation currency.

DMC Mining Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 27, 44 St Georges Terrace Perth WA 6000	Level 27, 44 St Georges Terrace 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.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

	Note	2021
		$
Interest Received		16
Total income		16
Advertising & Marketing		5,016
Bank Fees		215
Exploration Costs – Australia		10,116
Legal Expenses		1,529
Legal Expenses – Non Deductible		32,653
Printing & Stationary		1,115
Rent & Outgoings		1,247
Share Registry Expenses		1,313
Subscriptions & Membership		478
Website & Digital		1,007
Total expenses		54,692
Net profit/(loss) for the period		(54,676)
Income tax expense	4	-
Other comprehensive Income		-
Total other comprehensive loss		(54,676)

		$
Earnings per share for profit from continuing operations attributable to the owners of DMC Mining Limited		
Basic earnings per share	15	(0.003)

The accompanying notes form part of these financial statements.

DMC MINING LIMITED

ABN 25 648 372 516

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $
Assets		
Current assets		
Cash & cash equivalents	**3**	**360,544**
Other assets		**7,326**
Total current assets		**367,870**
Total assets		**367,870**
Liabilities		
Current liabilities		
Trade creditor and other payables		**2,206**
Total current liabilities		**2,206**
Total liabilities		**2,206**
Net assets		**365,664**
Equity		
Issued shares	**5**	**420,340**
Retained earnings		**(54,676)**
Total equity		**365,664**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021

	Issued Capital	Retained Earnings	Total
	$	**$**	**$**
Balance at 2 March 2021	**-**	**-**	**-**
Loss for the Period	-	(54,676)	(54,676)
Shares Issued During the Period	440,140	-	440,140
Share Issue Expenses	(19,800)	-	(19,800)
Dividends Paid During the Period	-	-	-
Balance at 30 June 2021	**420,340**	**(54,676)**	**365,664**

The accompanying notes form part of these financial statements.

DMC MINING LIMITED
ABN 25 648 372 516

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021

	Note	2021 $
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers and employees (inclusive of GST)		(59,812)
Interest Received		16
Rebates & Refunds		-
Net cash used in operating activities	14	(59,796)
CASH FLOW FROM FINANCING ACTIVITIES		
Net loans from other entities		-
Net cash from financing activities		
CASH FLOW FROM CAPITAL RAISING		
Issue of Shares		440,140
Share issue Expenses		(19,800)
Net cash from equity raising		420,340
Net increase/(decrease) in cash and cash equivalents		360,544
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	3	360,544

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 years presented, unless otherwise stated.

Basis of preparation

These general 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, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transactions costs. They are subsequently measured at amortised cost using the effective interest method.

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.

Note 1. Significant accounting policies – cont.

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
- 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.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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.

Note 1. Significant accounting policies – cont.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets
Non-financial 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent 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.

Provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 1. Significant accounting policies – cont.

Fair value measurement – cont.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Going Concern
The Company's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on the Company's ability to obtain sufficient working capital to ensure the continued implementation of the Company's business plan. Accordingly, a material uncertainty exists as to whether the Company will be able to continue as a going concern and realise its assets and discharge debts during the normal course of business.

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.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are reported on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the company's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will 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 of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3: Current assets - cash and cash equivalents	**2021** **$**
Cash at bank	360,544
Cash on hand	-
	360,544

Note 4: Income Tax (expense)/benefit	
Recognised in the income statement:	
Current tax (expense) / benefit	-
Deferred tax (expense) / benefit	-
Total income tax (expense) / benefit	-
Reconciliation between tax expense and pre-tax net profit	
Profit/ (loss) before income tax	(54,676)
Income tax calculated at 27.5%	(15,036)
Deferred tax asset (recouped)/ not brought to account	15,036
Income tax expense on pre-tax net profit	-
Weighted average rate of tax	-

Note 5: Issued Shares	**2021** **$**	**2021** **Shares**
Balance at the beginning of the period	-	-
Shares Issued	440,140	20,000,000
Share Issue Expenses	(19,800)	-
Balance at the end of the period	**420,340**	**20,000,000**

Note 5: Issued Shares – cont.

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.

Capital risk management
The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 6: Related Parties & Other Transactions

During the period, Zen Magnolia Pty Ltd, an entity to which Bruce Franzen is a Director and Shareholder was reimbursed $2,446.39 plus GST for miscellaneous office and incorporation costs incurred on behalf of DMC Mining Limited.

During the period, Tirol Investments Pty Ltd, an entity to which David Sumich is a Director and Shareholder was reimbursed $365 plus GST for miscellaneous marketing costs incurred on behalf of DMC Mining Limited.

There were no other related party transactions during the period.

Note 7: Key management personnel

Isker Mining Pty Ltd is a start-up entity and during the period ended 30 June 2021 it did not engage any personnel and did not pay any remuneration.

Note 8: Operating Segments

Identification of reportable segments

The Company has identified one reportable segment, being mine exploration, based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segment on this basis.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Geographic Segment
The Company operates from one geographic location, being Australia, from where its activities are managed.

Note 9: Commitments

There are no other commitments.

Note 10: Financial Instruments

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Company investments.

Derivatives are not used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

Senior Executives of the Company meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Senior Executives overall risk management strategy seeks to minimise potential adverse effects on financial performance.

The Senior Executives operate under the guidance of the Board of Directors. Risk Management initiatives are addressed by the Board when required.

ii. Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk.

Interest rate risk

Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. All of the entity's exposure to interest rate risk is limited to cash and cash equivalents, convertible notes and financial liabilities.

At 30 June 2021, the Company does not have any material interest rate risk exposure.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows.

Market risk

Market risk is the risk that the value of the Company's investments will fluctuate as a result of changes in market prices.

At 30 June 2021, the Company does not have any market risk exposure

Net fair values of financial assets and liabilities

Assets and liabilities included in the Statement of Financial Position are carried at amounts that approximate their fair values. Please refer to Note 1 for the methods and assumptions adopted in determining net fair values for investments.

Note 10: Financial Instrument – cont.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit risk is reviewed regularly by the Senior Executives.

The Senior Executives ensure that the Company deals with:

- Only banks and financial institutions with an “A” rating;
- All potential customers are rated for credit worthiness taking into account their size, market position and financial standing.

The credit risk for counterparties included in trade and other receivables at 30 June 2021 is detailed below:

	2021
	$
Trade and Other Receivables	-

Price risk

The Company is does not have any exposure to price risk.

iii. Net Fair Values

The net fair values of:

- Assets and other liabilities approximate their carrying value
- Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

As at 30 June 2021, the carrying amounts of all financial assets and liabilities approximated their fair values.

iv. Sensitivity Analysis

Interest rate risk, foreign currency risk and price risk

The Company has performed sensitivity analysis relating to its exposures to interest rate risk and price risk at balance date and has determined that increases and decreases are not material to the Company.

Interest rate exposure

The entity’s exposure to interest rate risk and the effective weighted interest rate for classes of financial assets and liabilities is set out below:

Note 10: Financial Instrument – cont.

2021	**Note**	**Weighted average interest rate**	**Fixed interest maturing in:**			
			Floating interest	**1 year or less**	**Non-interest bearing**	**Total**
			$	**$**	**$**	**$**
Financial assets						
Cash and cash equivalents	3	0.00%	360,544	-	-	360,544
Trade and other receivables		-	-	-	-	-
			-	-	-	-
Trade and other payables and liabilities		-	-	-	2,206	2,206
Borrowings		-	-	-	-	-
			-	-	-	-

Note 11: Contingent Assets and Liabilities

There are no contingent assets or liabilities as at 30 June 2021.

Note 12: Remuneration of auditors

The auditor of the Company is due the following fees:

	2021
	$
Audit Services – PKF Perth	**10,000**

Note 13: Matters subsequent to the end of the financial period

On 13 July 2021, binding term sheet with Witby Industrial Minerals Pty Ltd (ACN 630 553 427)(Witby) pursuant to which Witby has granted DMC an option to acquire the tenement E74/669 Ravensthorpe Nickel Project, was amended to extend the option period to 1 November 2021.

The impact of the Coronavirus ('COVID-19') pandemic is ongoing for the company up to 30 June 2021, 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.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14: Reconciliation of profit after income tax to net cash from operating activities

	2021
	$
Profit/(loss) after income tax	(54,676)
Non-cash flows in profit after income tax:	
Loans forgiven	-
	(54,676)
Changes in assets and liabilities:	
(Increase)/decrease in other current assets	(7,326)
(Decrease)/increase in payables	2,206
Cash flows from operations	**(59,796)**

Note 15: Earnings per share

Earnings per share for profit from continuing operations	**$**
Loss after income tax	(54,676)
	Cents
Basic earnings per share	(0.003)
	Shares
Weighted Average Ordinary Shares	16,214,876

DIRECTORS' DECLARATION

In the opinion of the Directors of DMC Mining Limited ("the Company"):

1. 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;

2. 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;

3. the attached financial statements and notes give a true and fair view of the entity's financial position as at 30 June 2021 and of its performance for the financial period ended on that date; and

4. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

Bruce Franzen
Director

Dated at Perth this 8th day of September 2021.

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF

DMC MINING LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of DMC Mining Limited (the "Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company.

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

i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the period 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. 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 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have 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 and 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. 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 entity'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.

Advisory • Audit
Business Solutions

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 safeguards applied.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

8 September 2021
WEST PERTH,
WESTERN AUSTRALIA

SHAREHOLDINGS

The Shareholders of the Company as at 30 June 2021:

Security Class:	DMCU - ORDINARY FULL PAID SHARES - SEED	
As at Date:	30-Jun-2021	
	Registration Details Line 1	DMCU
	ALOUISUS PTY LTD,	50,000
	AUTUMN ORIGIN CAPITAL PTY LTD,	70,000
	BEACHCOVE CAPITAL PTE LTD,	200,000
	MR ROGER BLAKE +	50,000
	BLIZNOU HOLDINGS PTY LTD,	50,000
	BLUE BLITZ INVESTMENTS PTY LTD	100,000
	BRISQUE PTY LTD	250,000
	MR MURRAY WILLIAM BROUN,	50,000
	CAPEBROOK ENTERPRISES PTY LTD	50,000
	MR ROBERT GERALD CATENA +	50,000
	CHANCERY HOLDINGS PTY LTD	50,000
	MR QIU MING CHEN,	70,000
	CITYSCAPE ASSET PTY LTD	3,000,000
	DR TONY CREA +	50,000
	CTTR GROWTH PTY LTD,	250,000
	MR KEITH DELLA-VEDOVA,	100,000
	MARTIN MATTHEW BRUCE DORMER	50,000
	FIRST OAK CAPITAL PTY LTD,	70,000
	BRUCE ROBERT ERROL FRANZEN,	1,500,000
	VIVIENNE LAINE FRANZEN,	1,500,000
	GANT CAPITAL PTY LTD,	100,000
	HELMSDALE INVESTMENTS PTY LTD,	300,000
	KNRRJR PTY LTD	70,000
	LEONORA PHARMACY PTY LTD,	50,000
	COLIN KENNETH LOCKE,	4,600,000
	MR DAVID THIEN ANH LUONG	70,000
	MONTICONE INVESTMENTS PTY LTD	100,000
	MR DALE MAURICE RAYNES,	200,000
	RIDGE STREET CTTR PTY LTD	200,000
	RISING FAST HOLDINGS PTY LTD	60,000
	RWH NOMINEES PTY LTD	145,000
	MRS HETAL SANGHAVI,	145,000
	DAVID THOMAS SUMICH,	750,000
	TIROL INVESTMENTS PTY LTD,	2,250,000
	WATERMAN NOMINEES PTY LTD	50,000
	WESTERN AUSTRALIAN HOLDINGS	50,000
	WHEAD PTY LTD	200,000
	WILLIAM JOHN ANDREW WITHAM +	3,100,000
Totals		20,000,000
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