

ANNUAL REPORT

30 JUNE 2020

Firebrick Pharma Limited previously Firebrick Pharma Pty Ltd (ABN 64 157 765 896) for the financial year ended 30 June 2020

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Directors

Peter Molloy
Stephen Goodall
Peter Kash
Phyllis Gardner

Company Secretary

Stephen Buckley

Registered Office

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Auditor

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Your Directors present their report, together with the financial statements of Firebrick Pharma Limited (previously Firebrick Pharma Pty Ltd ("the Company" or "Firebrick")) for the financial year ended 30 June 2020.

DIRECTORS

The names of Directors in office at any time during and since the end of the year to the date of this report are:

Name	Status	Appointed
Peter Molloy	Executive Chairman	Appointed 12 April 2012
Stephen Goodall	Executive Director and Chief Operating Officer	Appointed 12 April 2012
Peter Kash	Non Executive Director	Appointed 17 February 2020
Phyllis Gardner	Non Executive Director	Appointed 13 November 2020

COMPANY SECRETARY

The following person held the position of Company Secretary during and since the end of the year to the date of this report:

Stephen Buckley	Appointed 4 December 2020
Ben Secrett	Appointed 17 August 2020, ceased 4 December 2020
Ashley Arnott	Appointed 23 September 2014, ceased 17 August 2020

PRINCIPAL ACTIVITIES

The principal activity for the Company during the year was the development and commercialisation of Nasodine, a broad-spectrum anti-viral spray. Designed to be an effective treatment and prevention of respiratory viral infections, such as the common cold.

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid, recommended or declared during the current or previous financial year.

REVIEW OF OPERATIONS

Operation Review

The Phase III trial, commenced in June 2019, continued until 20 October 2019, when it was closed with full recruitment of 255 subjects (260 subjects prior to withdrawals). The trial results were communicated to all shareholders on 18 December 2019 and a webinar held 20 December to discuss the results.

Commercial Eyes and other regulatory consultants were engaged to conduct a review of the regulatory strategy and determine how and whether the Company could proceed to a TGA registration filing based on the trial results. Based on that advice, the Company filed a 2000-page registration dossier with TGA on 3 May 2020.

After filing of the registration dossier, international licensing of Nasodine commenced under the Company's agreement with FFD LLC, a US company owned by Drs Peter Kash and Linda Friedland. So far, the international outreach program has yielded a partner in South Africa (Adcock-Ingram) and prospective partners in China, New Zealand, Philippines, Israel and USA. In June 2020, an agreement was executed with NEMA Research in the US to assist Firebrick with identification of optimum regulatory pathways for Nasodine in the USA.

With the arrival of COVID-19 in early 2020, the Company sponsored a study at VIDRL to assess the in vitro activity of Nasodine against SARS-CoV-2; the study showed that Nasodine eliminated the infectivity of the virus after a 60-second exposure. On 27 February, the Company issued a press release around the study results.

During March, the Company made preparations to start a human COVID-19 trial and submitted a protocol for ethics approval at Sir Charles Gairdner Hospital in Perth with Professor Peter Friedland as the Principal Investigator. In June 2020, Monash Health in Melbourne was added as a second site but due to low case numbers neither site has recruited any subjects. The study was further expanded to include a site in Pretoria South Africa, which has succeeded in recruiting subjects and the trial is now expected to be completed in December 2020.

REVIEW OF OPERATIONS (CONTINUED)

Financial Review

The loss for the year ended 30 June 2020 was \$1,498,481, with the major expenses being Research and development (R&D) (\$1,628,710) related to the Phase III clinical trial and registration costs. Other income was received of \$508,977 in relation to R&D tax credits. At 30 June 2020, the Company had \$654,210 in current assets, including \$92,704 in cash reserves.

Funding

Fundraising under the Series C Round of investment continued during July and August 2019. With cumulative funds raised of \$583,800, there was a first closing of the Series C Round of investment on 30 June 2019 with shares allotted in July 2019. The Board exercised its option to extend the investment round by 90 days, with a new closing date of 28 September 2019. On 9 September 2019, with the maximum number of 50 shareholders reached, the Series C Round was closed, having raised \$1,044,050 through the issue of 2,983,000 shares at \$0.35.

On 10 December 2019, the Company received R&D tax credit of \$443,282.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The full impact of the COVID-19 pandemic continues to evolve at the date of this report. While it has not significantly impacted the entity up to 30 June 2020, the longer-term impacts on the Company cannot be fully determined at this time.

There are no other significant changes in the state of affairs for the financial year ended 30 June 2020.

EVENTS SUBSEQUENT TO REPORTING DATE

In July 2020, the Company signed a mandate with Euroz Securities Limited to raise \$3 million under the Series D Round. On 15 July 2020, the Series D Round of investment successfully closed, having raised a total of \$3.200 million (oversubscriptions approved by the Company), with \$0.876 million from existing shareholders and \$2.324 million from investors who subscribed through Euroz under the 'Zero Nominees' shareholder account. As a result, during July 2020, a total of 6.4 million new shares and an equivalent number of options (priced at \$0.50 and with expiry of 30 June 2022) were issued to Series D investors. One million options were also issued to Euroz on the same terms by way of a fundraising incentive payment due under their mandate.

In July 2020, the Company issued a total of 108,824 Shares under the Series D round to Directors Messers Molloy and Goodall in settlement for loan funds contributed by the two founders to support patent costs in 2015.

On 17 August 2020, Ashley Arnott resigned as Company Secretary; Ben Secrett was appointed as Company Secretary on the same date.

On 15 October 2020, as approved by the Members of the Company at the General Meeting, Firebrick Pharma Pty Ltd converted to a Public Company, Firebrick Pharma Limited.

On 13 November 2020, the Company appointed Dr Phyllis Gardner as Non-Executive Director. Dr Gardner is Professor of Medicine at Stanford University and is an accomplished scientist, entrepreneur and venture capitalist, and has been a director of many prominent public biotechnology companies in the United States.

On 4 December 2020, Ben Secrett resigned as Company Secretary; Stephen Buckley was appointed as Company Secretary on the same date.

There have been no other material events or circumstances that have arisen since the date of this report.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The outlook for Firebrick is decidedly positive. The Company completed the year having added significant value in the form of a Phase III clinical trial and a full registration dossier submitted to TGA for potential approval of Nasodine. If TGA approves Nasodine in Australia, the product could be launched as early as winter 2021. The TGA registration dossier is also a major asset that can be used in international markets to support licensing activities; these activities commenced in February 2020 and have continued over the last several months resulting in the attraction of several licensing partners and a signed letter of intent with Adcock-Ingram in South Africa.

INFORMATION ON DIRECTORS

Peter Molloy	Founder, Executive Chairman
Qualifications	BSc, MBA, FAICD, PhD
Experience	<p>Peter Molloy trained as microbiologist and biochemist and subsequently built a successful career in the international pharmaceutical industry. At Pharmacia (Pfizer) he was Managing Director of Australia/NZ operations and later Vice President for Strategic Marketing, responsible for the marketing of hundreds of pharmaceuticals across 22 countries. During his pharmaceutical career, he has directly launched 23 new pharmaceutical products and executed 40 international licensing or distribution deals. Subsequently, as CEO of four biotech companies, he has led numerous R&D programs, moved several drugs from research into human clinical trials, and executed valuable international pharmaceutical partnerships including two \$100m+ licensing deals.</p> <p>In 2002-2005, he was CEO of one of the world's leading antiviral research companies, Biota Holdings Limited, where during his term the company's market value increased from \$30m to around \$300m. Between Nov 2015 and May 2020, he was founding CEO of Race Oncology Limited, which he listed on the ASX in 2016 at a valuation of \$12 million; at 30 November 2020, the company's valuation exceeded \$250 million. Notably, Dr Molloy was responsible for the creation and launch in Australia of Betadine Sore Throat Gargle, which has subsequently become a leading OTC product in Australia and the inspiration for the development of Nasodine.</p>
Interest in Shares and Options at the date of this report	10,054,412 Ordinary Shares
Directorships held in other listed entities (last 3 years)	Race Oncology Ltd (resigned 20 May 2020)
Stephen Goodall	Founder, Executive Director and Chief Operating Officer
Qualifications	BAppSc, MAppSc, MBA, PhD
Experience	<p>Stephen Goodall has a successful track record in intellectual property, pharmaceutical development, manufacturing, regulatory strategy and clinical development. He was instrumental in developing the intellectual property that underpins the Firebrick patent. Previously, he was Chief Operating Officer of Viralytics, which was successfully acquired in 2018 for \$500 million by the US big pharma company, Merck. Previously, he was the Director of Pharmaceutical Development at Vapotronics, where he managed all aspects of inhaled drug development and formulation and before that, Director of Development at AGEN Biomedical for 11 years. He has extensive experience in the preclinical, IND, regulatory and human clinical phases of drug development. He also has an impressive background in process development, production scale-up and GMP manufacturing for pharmaceuticals.</p> <p>Dr Goodall is co-founder of Firebrick and co-inventor on all the key Firebrick patents.</p>
Interest in Shares and Options at the date of this report	10,054,412 Ordinary Shares
Directorships held in other listed entities (last 3 years)	N/A

INFORMATION ON DIRECTORS (CONTINUED)

Peter Kash	Non-Executive Director
Qualifications	BSc, MBA, EdD
Experience	Peter Kash is a Board Member and the Company's global Business Advisor based in Florida. Peter Kash worked on Wall Street for 30 years and is a renowned biotech entrepreneur, who has raised at least US\$1 billion for private biotech companies and co-founded more than a dozen companies, which collectively have six FDA-approved drugs. He is currently a co-founder and Vice-Chairman of TargImmune Therapeutics, an oncology platform company in Switzerland. Dr Kash holds a BSc in Management Science, an MBA in Banking and International Finance and a Doctorate in Education. He has held Adjunct, Associate and Visiting Professorships at the Wharton School of Business, Hebrew University in Jerusalem and Nihon University in Tokyo, as well as lectured worldwide and authored and co-authored several books.
Interest in Shares and Options at the date of this report	931,836 Ordinary Shares
Directorships held in other listed entities (last 3 years)	N/A
Phyllis Gardner	Non-Executive Director
Qualifications	M.D
Experience	Phyllis Gardner is Professor of Medicine at Stanford University and is an accomplished scientist, entrepreneur and venture capitalist, and has been a director of many prominent public biotechnology companies in the United States.
Interest in Shares and Options at the date of this report	Nil
Directorships held in other listed entities (last 3 years)	N/A

MEETING OF DIRECTORS

During the financial year, there were 1 meetings of directors (nil committee meetings of directors) held, with all Directors attending the meetings. In addition, decisions at Board of Directors ("Board") level were made via circular resolution of the Directors.

INDEMNIFYING OFFICERS AND AUDITORS

Indemnification

The Company indemnifies each of its Directors, Officers and Company Secretary. The Company indemnifies each Director or officer to the maximum extent permitted by the *Corporations Act 2001* from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a Director or officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the *Corporations Act 2001*. The Company must also use its best endeavours to insure a Director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their provision of audit services.

OPTIONS

At the date of this report, there were 2,283,000 un-issued shares under option for the Company. All options are subject to vesting over 3 years and were issued to eligible employees and consultants (other than directors) in lieu of salary compensation, under the Company's Employee Option Plan Rules dated 1 January 2019.

Grant Date	Expiry Date	Exercise Price	Number of shares under option
1 January 2019	1 January 2024	\$0.02	600,000
31 March 2019	31 March 2024	\$0.02	300,000
30 April 2019	30 April 2024	\$0.02	240,000
31 August 2019	31 August 2024	\$0.02	120,000
13 March 2020	13 March 2025	\$0.03	363,000
21 March 2020	21 March 2025	\$0.03	600,000
1 September 2020	1 September 2025	\$0.075	60,000
			<u>2,283,000</u>

No options were cancelled or forfeited during the year.

ENVIRONMENTAL REGULATIONS

The Company aims to comply with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known breaches of the environmental regulations.

NON-AUDIT SERVICES

There is no non-audit service provided during the financial year ended 30 June 2020.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2020 has been received and can be found on page 9 of the Annual Report.

ROUNDING OF AMOUNTS

The Company has applied the relief available to it in ASIC Legislative Instrument 2016/191 and accordingly amounts included in this report and in the financial report have been rounded off to the nearest \$1 (where rounding is applicable).

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



Mr Peter Molloy

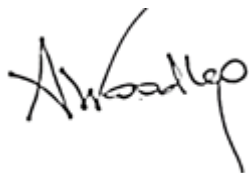
Director

22 January 2021

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF FIREBRICK PHARMA LIMITED

As lead auditor of Firebrick Pharma Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 22 January 2021

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020



	Note	30-Jun-20 \$	30-Jun-19 \$
Interest Income		524	3,135
Other Income	2	508,977	444,975
Administration and general expenses	2	(12,320)	(803)
Business development and marketing		(19,382)	(7,613)
Depreciation expense	10	(301)	(451)
Insurance expense		(18,489)	(3,655)
Professional fees	2	(19,859)	(9,826)
Research and development expenses	2	(1,628,710)	(1,056,549)
Rent expense		(461)	(1,200)
Share based payments expense	15	(303,994)	(90,087)
Travel expense		(4,466)	(3,184)
Loss before income tax		(1,498,481)	(725,258)
Income tax expense		-	-
Loss for the year after income tax		(1,498,481)	(725,258)
Other comprehensive (loss) / income:		-	-
Total comprehensive (loss) for the year		(1,498,481)	(725,258)
Basic loss per share (cents per share)	6	(4.95)	(2.74)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020



	Note	30-Jun-20 \$	30-Jun-19 \$
CURRENT ASSETS			
Cash and cash equivalents	7a	92,704	577,462
Trade and other receivables	8	560,575	502,343
Other assets	9	931	95,736
TOTAL CURRENT ASSETS		654,210	1,175,541
NON-CURRENT ASSETS			
Property, plant and equipment	10	604	905
TOTAL NON-CURRENT ASSETS		604	905
TOTAL ASSETS		654,814	1,176,446
CURRENT LIABILITIES			
Trade and other payables	11	209,804	43,199
TOTAL CURRENT LIABILITIES		209,804	43,199
NON-CURRENT LIABILITIES			
Loan from shareholders	12	54,412	54,412
TOTAL NON-CURRENT LIABILITIES		54,412	54,412
TOTAL LIABILITIES		264,216	97,611
NET ASSETS		390,598	1,078,835
SHAREHOLDERS' EQUITY			
Issued and unissued capital	13	2,655,268	2,085,018
Reserve	14	330,081	90,087
Accumulated losses		(2,594,751)	(1,096,270)
TOTAL SHAREHOLDERS' EQUITY		390,598	1,078,835

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

STATEMENT OF CHANGES IN EQUITY



AS AT 30 JUNE 2020

	Issued Capital	Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	2,085,018	90,087	(1,096,270)	1,078,835
Loss for the year	-	-	(1,498,481)	(1,498,481)
Total comprehensive loss for the year	-	-	(1,498,481)	(1,498,481)
Transactions with owners, recognised directly in equity				
Equity issued during the year	413,750	-	-	413,750
Shares applied for but unissued	92,500	-	-	92,500
Share based payments	64,000	239,994	-	303,994
Balance at 30 June 2020	2,655,268	330,081	(2,594,751)	390,598
Balance at 1 July 2018 (unaudited)	825,961	-	(371,012)	454,949
Loss for the year	-	-	(725,258)	(725,258)
Total comprehensive loss for the year	-	-	(725,258)	(725,258)
Transactions with owners, recognised directly in equity				
Equity issued during the year	686,727	-	-	686,727
Shares applied for but unissued	583,800	-	-	583,800
Share based payments	-	90,087	-	90,087
Capital raising costs	(11,470)	-	-	(11,470)
Balance at 30 June 2019	2,085,018	90,087	(1,096,270)	1,078,835

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

STATEMENT OF CASH FLOWS



FOR THE YEAR ENDED 30 JUNE 2020

	Note	30-Jun-20 \$	30-Jun-19 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(44,686)	(74,880)
Payments for research and development		(1,384,128)	(1,100,551)
Interest received		524	3,135
Research and development tax refund received		443,282	107,827
Net cash used in operating activities	7b	(985,008)	(1,064,469)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		407,750	686,727
Proceeds from shares yet to be issued		92,500	583,800
Capital raising costs		-	(11,470)
Net cash provided by financing activities		500,250	1,259,057
Net decrease in cash and cash equivalents		(484,758)	194,588
Cash and cash equivalents at the beginning of the financial year		577,462	382,874
Cash and cash equivalents at the end of the financial year	7a	92,704	577,462

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

These financial statements cover Firebrick Pharma Limited (previously Firebrick Pharma Pty Ltd (“the Company” or “Firebrick”)). Firebrick Pharma Limited is a company limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity.

The financial statements were issued by the board of directors on 22 January 2021 by the directors of the Company.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standard Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

b) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

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 1(q).

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors are satisfied that the Company can continue to pay its debts as and when they fall due on the basis that the Company was successful in raising \$3.2million under the Series D placement completed in July 2020.

c) Adoption of New and Amended Accounting Standards

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretation issued by the Australian Accounting Standard Board (“AASB”) that are mandatory for the reporting period.

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

d) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the statement of financial position as a receivable.

Research and Development (R&D) Tax Incentive

R&D tax incentives from the government are recognised when received or when the right to receive payment is established.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**e) Income Tax**

The income tax expense for the year comprises current income tax expense. The Company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant tax authority.

f) Financial Instruments*Classification*

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

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

The classification depends on how the Company manages the financial assets and the contractual terms of the cash flows. At year end, all of the Company's financial assets have been classified as those to be measured at amortised cost.

Measurement

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

Impairment

The Company assesses expected credit losses associated on a forward-looking basis. For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

g) Impairment of non-financial assets

At the end of each reporting period, the Directors assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information.

If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

i) Trade receivables and other receivables

Trade receivables and other receivables, including distribution receivables, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful has been created.

j) Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent directors' valuation. All assets, excluding freehold land and building, are depreciated over their useful lives to the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**j) Property, Plant and Equipment (continued)**

Increase in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the profit and loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the profit and loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of what is recoverable from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Goodwill is recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Gain and losses on disposal of a business include the carrying amount of goodwill relating to the business sold.

k) Depreciation

Depreciation is a systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount is the cost of the asset, less its residual value.

An asset is depreciated from the date it is ready for use, meaning the date it reaches the location and condition required for it to operate in the manner intended by management.

Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each part of the fixed asset item, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows:

- Computers – 3 years
- Laboratory equipment – 5 years
- Motor vehicles – 7 years

Leasehold improvements are depreciated over the shorter of the lease period or the useful life of the leasehold improvement.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

l) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m) Trade and other payables

Trade creditors and other payables, including bank borrowings and distribution payable, are recognised at the nominal transaction value without taking into account the time value of money

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**n) Equity**

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. The option reserve records the value of share-based payments.

o) Share Based Payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is calculated using an appropriate mathematical formula based on Black-Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

p) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to members 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.

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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

q) 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.

Key Estimates and judgements***Trade receivables***

Management assess impairment of the Company's trade receivables based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs for the expected credit loss model under AASB 9 and impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Share based payments

Share based payments are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of options is calculated using an appropriate mathematical formula based on Black-Scholes option pricing model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period based on the number of equity instruments that may eventually vest. The corresponding amount for options recorded to the options reserve. Details of share-based payment assumption can be found on at Note 15.

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 supply chain, staffing and geographic regions in which the Company operates. There were no significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may have impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTE 2: LOSS FOR THE YEAR

	30 June 2020 \$	30 June 2019 \$
Other Income		
- R&D Tax Rebate	508,977	444,975
Administration and general expenses		
- Administration expense	1,265	263
- Entertainment expense	1,146	-
- General expenses	2,239	174
- Printing, stationery, and postage expense	3,478	194
- Subscription expense	4,192	172
	12,320	803
Professional fees		
- Accounting fees	6,000	1,318
- Legal and consulting fees	13,859	8,508
	19,859	9,826
Research and development expenses		
- Contract project expense	1,497,076	1,001,361
- Patent expense	131,634	55,188
	1,628,710	1,056,549

NOTE 3: INCOME TAX

	30 June 2020 \$	30 June 2019 \$
Current tax	-	-
	-	-

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

The total of remuneration paid to Directors and Key Management Personnel of Firebrick Pharma during the year are as follows:

	30 June 2020 \$	30 June 2019 \$
Short-term employee benefit	-	-
Equity settled ¹	64,000	-
Total KMP Compensation	64,000	-

Loans from/to KMP and their related parties

In 2005, the Company received total of \$54,412 zero-interest loans from the two founders, Mr Peter Molloy and Mr Stephen Goodall. Subsequent to the financial year end, these loans were settled in full by issuance of 108,824 ordinary shares. Details of the transactions can be found on note 12.

There were no loans made to KMP and their related parties during the financial year.

¹ Share based payment to Director Peter Kash in lieu of directors' fees refer to Note 15 for further details.

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)**Other transactions and balances with KMP and their related parties**

There were no transactions and balances with KMP and their related parties during the financial year.

NOTE 5: AUDITOR'S REMUNERATION

	30 June 2020	30 June 2019
	\$	\$

During the year the following fees were paid or payable for services provided by the auditor of the Company

Remuneration of the auditor of the Company

-	Audit or review of the financial reports	-	-
		-	-

NOTE 6: (LOSS)/EARNINGS PER SHARE

	30 June 2020	30 June 2019
	\$	\$

(Loss)/Earnings per share ("EPS")

a)	(Loss) used in calculation of basic EPS and diluted EPS	(1,498,481)	(725,258)
b)	Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings/(loss) per share	30,258,350	26,515,717

NOTE 7: CASH AND CASH EQUIVALENTS

	30 June 2020	30 June 2019
	\$	\$

NOTE 7a: CASH AND CASH EQUIVALENTS

Cash at bank	92,704	577,462
	92,704	577,462

NOTE 7b: CASH FLOW INFORMATION

Loss after income tax	(1,498,481)	(725,258)
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Non-cash flows in loss after income tax

Amortisation, depreciation and impairment expense	301	451
Share based payments expense	303,994	90,087

Changes in assets and liabilities

(Increase)/Decrease in receivables	(52,232)	(377,212)
(Increase)/Decrease in other assets	94,805	(95,736)
Increase/(Decrease) in payables	166,605	43,199

Cash flows used in operating activities	(985,008)	(1,064,469)
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Credit Standby Facilities

The Company has no credit standby facilities.

Non-Cash Investing and Financing Activities

There were no non-cash investing and financing activities during the year.

NOTE 8: TRADE AND OTHER RECEIVABLES

	30 June 2020	30 June 2019
	\$	\$
CURRENT		
Research and development tax incentive refund	510,286	444,590
Goods and services tax	44,289	57,753
Other receivables	6,000	-
	560,575	502,343

All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value. All receivables are expected to be recovered in full.

NOTE 9: OTHER CURRENT ASSETS

	30 June 2020	30 June 2019
	\$	\$
Prepayments	931	95,736
	931	95,736

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	30 June 2020	30 June 2019
	\$	\$
Cost	4,130	4,130
Accumulated depreciation	(3,526)	(3,225)
Net carrying amount	604	905

Movement during the year

Balance at the start of the year	905	1,356
Depreciation expense	(301)	(451)
Net carrying amount	604	905

NOTE 11: TRADE AND OTHER PAYABLES

	30 June 2020	30 June 2019
	\$	\$
CURRENT		
Trade payables	203,804	43,199
Accrual	6,000	-
	209,804	43,199

All amounts are short-term. The carrying values of trade payables and other payables are considered to approximate fair value.

NOTE 12: NON-CURRENT LIABILITIES

	30 June 2020	30 June 2019
	\$	\$
Loan from Shareholder	54,412	54,412
	54,412	54,412

In 2005, the Company received two zero-interest loans from Directors Messers Molloy and Goodall. As disclosed in Note 20, subsequent to the financial year end The Company issued a total of 108,824 Shares under the Series D round to Directors Messers Molloy and Goodall in settlement for loan funds contributed by the two founders to support patent costs in 2015.

NOTE 13: ISSUED AND UNISSUED CAPITAL

(a) Movements in fully paid Ordinary Capital	30 June 2020	30 June 2019
	\$	\$
Opening balance	2,085,018	825,961
Shares issued during the year	477,750	686,727
Shares applied for but unissued	92,500	583,800
Less: capital raising costs	-	(11,470)
Closing balance	2,655,268	2,085,018

The Company has issued share capital amounting to 30,464,734 (2019: 27,431,734) ordinary shares.

(b) Movements in fully paid Ordinary Capital	30 June 2020	30 June 2019
	No.	No.
At beginning of year	27,431,734	24,482,427
Shares issued during the year	3,033,000	2,949,307
	30,464,734	27,431,734

Capital Management

Due to the nature of the Company's activities, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet due diligence programs and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

NOTE 14: RESERVES

	Note	30 June 2020	30 June 2019
		\$	\$
Opening balance		90,087	-
Share based payments	15	239,994	90,087
		330,081	90,087

NOTE 15: SHARE BASED PAYMENTS**Details of share-based payment arrangement entered into during the year ended 30 June 2020**

The fair value of services rendered by consultants during the year could not be reliably measured, and are therefore measured by reference to the fair value of equity instruments granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. The life of the options including early exercise options are built into the option model.

On 31 August 2019, the Company issued 120,000 Options exercisable at \$0.02 and expiring on or before 31 August 2024 to Bill Pickering under the Company's Employee Option Plan. The Options have been valued at grant date and expensed over the vesting period of 36 months. During the year ended 30 June 2020, a share-based payment expenses of \$24,316 was recognised.

On 17 February 2020, the Company issued 200,000 Restricted Shares to Dr Peter Kash in lieu of directors' fees at \$0.03 purchase price per share under the Restricted Shares Purchase Agreement. The payable amount for the shares was \$6,000. The shares have been valued at \$0.35 which is the market value at the date of the issue. During the year ended 30 June 2020 as share-based payment expenses of \$64,000 was recognised, representing the difference between the fair value of these shares and the consideration paid.

NOTE 15: SHARE BASED PAYMENTS (CONTINUED)

On 13 March 2020, pursuant to the consulting agreement with Jon Cuthbert dated 30 April 2019 the Company issued additional 63,000 Options exercisable at \$0.03 and expiring on or before 13 March 2025. The Options have been valued at grant date and expensed over the vesting period of 36 months. During the year ended 30 June 2020 a share-based payment expenses of \$6,092 was recognised.

On 13 March 2020, pursuant to the consulting agreement with Dr Peter Friedland dated 31 March 2019 the Company issued additional 300,000 Options exercisable at \$0.03 and expiring on or before 13 March 2025. The Options have been valued at grant date and expensed over the vesting period of 36 months. During the year ended 30 June 2020 a share-based payment expenses of \$29,010 was recognised.

On 21 March 2020, the Company issued 600,000 Options exercisable at \$0.03 and expiring on or before 21 March 2025 as consideration for the consulting services provided by Dr Simon Tucker. The Options have been valued at grant date and expensed over the vesting period. During the year ended 30 June 2020 a share-based payment expenses of \$54,956 was recognised.

Details of share-based payment arrangement entered into during the year ended 30 June 2019

The fair value of services rendered by consultants during the year could not be reliably measured, and are therefore measured by reference to the fair value of equity instruments granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. The life of the options including early exercise options are built into the option model.

On 1 January 2019, the Company issued 600,000 Options exercisable at \$0.02 and expiring on or before 1 January 2024 as consideration for the consulting services provided by Dr Linda Friedland. The Options have been valued at grant date and expensed over the vesting period of 36 months. During the year ended 30 June 2020 a share-based payment expenses of \$56,379 was recognised.

On 31 March 2019, the Company issued 300,000 Options exercisable at \$0.02 and expiring on or before 31 March 2024 as consideration for the consulting service provided by Dr Peter Friedland. The Options have been valued at grant date and expensed over the vesting period of 36 months. During the year ended 30 June 2020 a share-based payment expenses of \$35,677 was recognised.

On 30 April 2019, the Company issued 120,000 Options exercisable at \$0.02 and expiring on or before 30 April 2024 as consideration for the accounting and company secretarial services provided by Ashley Arnott. The Options have been valued at grant date and expensed over the vesting period of 36 months. During the year ended 30 June 2020 a share-based payment expenses of \$16,782 was recognised.

On 30 April 2019, the Company issued 120,000 Options exercisable at \$0.02 and expiring on or before 30 April 2024 as consideration for the consulting service provided by Jon Cuthbert. The Options have been valued at grant date and expensed over the vesting period of 36 months. During the year ended 30 June 2020 a share-based payment expenses of \$16,782 was recognised.

NOTE 15: SHARE BASED PAYMENTS (CONTINUED)**Share based payments expense as disclosed in the profit and loss for the financial year:**

	Dr Linda Friedland	Dr Peter Friedland	Ashley Arnott	Jon Cuthbert
Class of SBP	Options	Options	Options	Options
Exercise price	0.02	0.02	0.02	0.02
Share price at grant date (\$)	0.25	0.25	0.25	0.25
Grant date	1-Jan-2019	31-Mar-2019	30-Apr-2019	30-Apr-2019
Expected volatility	100%	100%	100%	100%
Expiry date	1-Jan-2024	31-Mar-2024	30-Apr-2024	30-Apr-2024
Risk free interest rate	1.95%	1.44%	1.38%	1.38%
Quantity	600,000	300,000	120,000	120,000
Value per instrument (\$)	0.23785	0.23761	0.23758	0.23758
Total value of instrument (\$)	142,709	71,283	28,510	28,510
Value recognised during the year (\$)	56,379	35,677	16,782	16,782

	Bill Pickering	Jon Cuthbert	Dr Peter Friedland	Dr Simon Tucker
Class of SBP	Options	Options	Options	Options
Exercise price	0.02	0.03	0.03	0.03
Share price at grant date (\$)	0.35	0.35	0.35	0.35
Grant date	31-Aug-2019	13-Mar-2020	13-Mar-2020	21-Mar-2020
Expected volatility	100%	100%	100%	100%
Expiry date	31-Aug-2024	13-Mar-2025	13-Mar-2025	21-Mar-2025
Risk free interest rate	0.69%	0.67%	0.67%	0.49%
Quantity	120,000	63,000	300,000	600,000
Value per instrument (\$)	0.33629	0.33117	0.33117	0.33104
Total value of instrument (\$)	40,355	20,864	99,352	198,626
Value recognised during the year (\$)	24,316	6,091	29,011	54,956

Fair value on options granted have been valued using a Black Scholes Methodology using volatility of 100.46%, taking into account the terms and conditions upon with the Options were granted. The exercise price of the Options was determined by the Board based on the market value of the Company's shares.

	30 June 2020 (\$)
Total share-based payment expense – options (Note 14)	239,994
Total share-based payment expense - shares	64,000
Total share-based payment expense recognised through profit and loss	303,994

NOTE 16: OPERATING SEGMENTS**Segment Information****Identification of reportable segments**

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The financial information presented to the chief operating decision maker is consistent with that presented in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flow.

NOTE 17: FINANCIAL INSTRUMENTS**Financial Risk Management Policies**

The Company's financial instruments consist mainly of deposits with banks, trade and other debtors, trade and other payables and borrowings. The main purpose of non-derivative financial instruments is to raise finance for Company's operations.

Specific Financial Risk Exposures and Management

The main risk the Company is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk and liquidity risk.

(a) Interest Rate Risk

From time to time the Company has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Company's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future. The exposure to interest rates arises from the cash and cash equivalents balances and borrowings.

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is not considered to be material.

(b) Credit risk

The maximum exposure to credit risk is limited to 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 related to balances with banks and other financial institutions and trade and other receivables, and is managed by the Company in accordance with approved Board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	30 June 2020 \$	30 June 2019 \$
Cash and cash equivalents – AA Rated	7a	92,704	577,462
		92,704	577,462

(c) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

The following are the contractual maturities of financial liabilities based on the actual rates at the reporting date excluding interest payments:

2020	Interest rate	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/ (liabilities)
		\$	\$	\$	\$	\$	\$	\$

Financial liabilities at amortised cost

Trade and other payables		209,803	-	-	-	-	209,803	209,803
		209,803	-	-	-	-	209,803	209,803

2019	Interest rate	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/ (liabilities)
		\$	\$	\$	\$	\$	\$	\$

Financial liabilities at amortised cost

Trade and other payables		43,200	-	-	-	-	43,200	43,200
		43,200	-	-	-	-	43,200	43,200

(d) Net fair Value of financial assets and liabilities***Fair value estimation***

Due to the short term nature of the receivables and payables the carrying value approximates fair value.

NOTE 18: COMMITMENTS

There are no commitments as at the end of the reporting period (2019: nil).

NOTE 19: CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities at the end of the reporting period. (2019: nil).

NOTE 20: RELATED PARTY TRANSACTIONS**Key Management Personnel ("KMP")**

Disclosure relating to key management personnel are set out in Note 4 and share based payment arrangement are in Note 15.

Loans from/to KMP and their related parties

In 2005, the Company received total of \$54,412 zero-interest loans from the two founders, Mr Peter Molloy and Mr Stephen Goodall. Subsequent to the financial year end, these loans were settled in full by issuance of 108,824 ordinary shares. Details of the transactions can be found on note 12.

There were no loans made to KMP and their related parties during the financial year.

Other transactions and balances with KMP and their related parties

There were no transactions and balances with KMP and their related parties during the financial year.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

In July 2020, the Company signed a mandate with Euroz Securities Limited to raise \$3 million under the Series D Round. On 15 July 2020, the Series D Round of investment successfully closed, having raised a total of \$3.200 million (oversubscriptions approved by the Company), with \$0.876 million from existing shareholders and \$2.324 million from investors who subscribed through Euroz under the 'Zero Nominees' shareholder account. As a result, during July 2020, a total of 6.4 million new shares and an equivalent number of options (priced at \$0.50 and with expiry of 30 June 2022) were issued to Series D investors. One million options were also issued to Euroz on the same terms by way of a fundraising incentive payment due under their mandate.

In July 2020, the Company issued a total of 108,824 Shares under the Series D round to Directors Messers Molloy and Goodall in settlement for loan funds contributed by the two founders to support patent costs in 2015.

On 17 August 2020, Ashley Arnott resigned as Company Secretary; Ben Secrett was appointed as Company Secretary on the same date.

On 15 October 2020, as approved by the Members of the Company at the General Meeting, Firebrick Pharma Pty Ltd converted to a Public Company, Firebrick Pharma Limited.

On 13 November 2020, the Company appointed Dr Phyllis Gardner as Non-Executive Director. Dr Gardner is Professor of Medicine at Stanford University and is an accomplished scientist, entrepreneur and venture capitalist, and has been a director of many prominent public biotechnology companies in the United States.

On 4 December 2020, Ben Secrett resigned as Company Secretary; Stephen Buckley was appointed as Company Secretary on the same date.

There have been no other material events or circumstances that have arisen since the date of this report.

In the Director's opinion:

1. The financial statements and notes set out on pages 8 to 24 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements,
 - b) giving a true and fair view, the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Mr Peter Molloy
Director

22 January 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Firebrick Pharma Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Firebrick Pharma Limited (the Company), which comprises the statement of financial position as at 30 June 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 year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Firebrick Pharma 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 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 *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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, 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.

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 on the other information obtained prior to the date of this auditor's report, 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 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 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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Ashleigh Woodley

Director

Perth, 22 January 2021