

Bristol Springs Solar Pty Ltd

SPECIAL PURPOSE FINANCIAL REPORT 30 JUNE 2020

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Directors' Report

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Johnathan Goyder Appointed 2 April 2019

Sam Gillham Appointed 2 April 2019

2. Principal activities

The principal activity of the Company during the course of the financial year was the development of a solar power project in the south west of Western Australia.

There were no other significant changes in the nature of the activities of the Company during the year.

3. Review of operations

The Company continued to advance the project during the financial year, including entering into a joint development agreement with Pearl Clean Energy Pty Ltd ("PCE"), to undertake various studies, including a feasibility study to pursue the development of the project. PCE were appointed as the manager of the project for the purposes of the joint development agreement.

4. Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

5. Events subsequent to reporting date

On 13 October 2021 the Company's shareholders entered into a binding agreement with Superior Lake Resources Limited ("SUP"), a company listed on the ASX, to acquire a 100% interest in Bristol Springs Solar Pty Ltd. As part of this transaction, SUP has agreed to fund project activities up until completion of the transaction. SUP has announced that, as part of the transaction, it will raise \$8 million to progress development of the Company's solar project, meet transaction costs, facilitate the recommencement of trading of SUP's securities on ASX and for working capital. The Directors are confident the transaction with SUP will complete. In the event the transaction does not complete, BSS can defer all its costs if required as they are discretionary in nature and there are no ongoing contractual commitments.

Other than the item noted in the above paragraph, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Directors' Report

6. Likely developments

The Company will continue to pursue the development of its solar power project. This will require further investment including completing the feasibility study and front end engineering design work.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

7. Dividends

No recommendation for payment of dividends has been made for the year ended 30 June 2020 (2019: Nil).

8. Directors' interests

The relevant interest of each director in the ordinary share capital issued by the Company as at the date of this report is:

	Shares held
Mr Johnathan Goyder ¹	60
Mr Sam Gillham ¹	40

¹Shares are held by entities in which a relevant interest is held.

9. Lead auditor independence declaration

The Lead auditor's independence declaration is set out on page 15 and forms part of the directors' report for the financial year ended 30 June 2020.

This report is made out in accordance with a resolution of directors:



Johnathan Goyder

Director

Date 25/11/2021

Statement of profit & loss

	2020	2019
	\$	\$
Interest income	3	-
Corporate and administrative expenses	(3,947)	(59,284)
Loss before income tax	(3,944)	(59,284)
Income tax expense	-	-
Loss for the period	(3,944)	(59,284)
Total comprehensive loss for the period	(3,944)	(59,284)

Statement of financial position

		30 June 2020	30 June 2019
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	3	9,596	100
Other receivables		10,474	1,541
Total Current Assets		20,070	1,641
Non-current Assets			
Property, plant & equipment	4	209,784	-
Total Non-Current Assets		209,784	-
TOTAL ASSETS		229,854	1,641
LIABILITIES			
Current Liabilities			
Trade and other payables		6,667	43,382
Total Current Liabilities		6,667	43,382
Non-Current Liabilities			
Loan – Ranger Loaders Pty Ltd	5	286,315	17,443
Total Non-Current Liabilities		286,315	17,443
TOTAL LIABILITIES		292,982	60,825
NET LIABILITIES		(63,128)	(59,184)
EQUITY			
Contributed equity	6	100	100
Accumulated losses		(63,228)	(59,284)
TOTAL EQUITY		(63,128)	(59,184)

Statement of changes in equity

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019	100	(59,284)	(59,184)
Net loss for the year	-	(3,944)	(3,944)
Total comprehensive loss for the period		(3,944)	(3,944)
Balance at 30 June 2020	100	(63,228)	(63,128)
Balance at 2 April 2019	-	-	-
Shares issued	100	-	100
Net loss for the year	-	(59,284)	(59,284)
Total comprehensive loss for the period		(59,284)	(59,284)
Balance at 30 June 2019	100	(59,284)	(59,184)

Statement of cash flows

	Notes	2020 \$	2019 \$
Cash flows used in operating activities			
GST refunds		16,057	-
Payments to suppliers		(44,674)	(17,443)
Interest received		3	-
Net cash provided by operating activities	3	(28,614)	(17,443)
Cash flows used in investing activities			
Payments for property, plant & equipment		(230,762)	-
Net cash used in investing activities		(230,762)	-
Cash flows used in financing activities			
Proceeds from issue of shares		-	100
Loan		268,872	17,443
Net cash provided by financing activities		268,872	17,543
Net increase/(decrease) in cash and cash equivalents		9,496	100
Cash and cash equivalents at beginning of period		100	-
Cash and cash equivalents at end of period	3	9,596	100

Notes to the financial statements

1. Reporting entity

Bristol Springs Solar Pty Ltd (the “Company”) is a company domiciled in Australia. The address of the company's registered office is c/- Palermo Chartered Accountants, Level 1, 284 Oxford Street, Leederville WA 6007. The Company is a for profit entity and primarily involved in the development of a solar farm project.

In the opinion of the directors, the Company is not publicly accountable nor a reporting entity as it is unlikely there are users of these financial statements that exist who are not in a position to require the preparation of reports tailored to their information needs. The financial statements of the Company have been drawn up as special purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001.

2. Basis of preparation

a) Basis of accounting

The special purpose financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and comply with all recognition measurement and classification requirements in Australian Accounting Standards (AASs) adopted by the Australian Accounting Standards Board (AASB). The significant accounting policies adopted in these special purpose financial statements are set out in note 2.

The special purpose financial statements include only the disclosure requirements of the following AASs and those disclosures considered necessary by the directors to meet the needs of members.

AASB 101 *Presentation of Financial Statements*

AASB 107 *Statement of Cash Flows*

AASB 108 *Accounting Policies Changes in the Accounting Estimate and Errors*

AASB 1048 *Interpretations of Standards*

AASB 1054 *Australian Additional Disclosures*

The financial statements do not comply with international financial reporting standards adopted by the International Accounting Standards Board.

b) Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its debts as and when they become due and payable.

The Company has incurred operating losses for each of the last two financial years, has a positive working capital and a net liability at year end.

The Company has been reliant on financial support from Ranger Loaders Pty Ltd (“Ranger”), a related entity of one of the directors (Johnathon Goyder) to fund its activities to date. The loan provided by Ranger is interest free, unsecured and Ranger will not request any loan repayments if the Company does not have the financial capacity to make any loan repayments.

Notes to the financial statements

b) Going concern (continued)

On 13 October 2021 the Company's shareholders entered into a binding agreement with Superior Lake Resources Limited ("SUP"), a company listed on the ASX, to acquire a 100% interest in Bristol Springs Solar Pty Ltd. As part of this transaction, SUP has agreed to fund project activities up until completion of the transaction. SUP has announced that, as part of the transaction, it will raise \$8 million to progress development of the Company's solar project, meet transaction costs, facilitate the recommencement of trading of SUP's securities on ASX and for working capital.

The above conditions represent a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying values or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

The Directors are confident the transaction with SUP will complete. In the event the transaction does not complete, BSS can defer all its costs if required as they are discretionary in nature and there are no ongoing contractual commitments. Ranger undertakes to continue to provide financial support to enable the Company to meet its debts as and when they become due and payable.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis.

d) Functional and presentation currency

These financial statements are present in Australian dollars, which is the Company's functional currency.

e) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Notes to the financial statements

f) Property, plant and equipment (continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives and is generally recognised in profit or loss. Right-of-use assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

g) Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

h) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes to the financial statements

h) Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

i) Impairment

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Notes to the financial statements

i) Impairment (continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amount of assets in the CGU on a pro rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements

3. Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank	9,496	-
Petty cash	100	100
	9,596	100

(a) Reconciliation of net loss after tax to net cash used in operating activities

	2020	2019
	\$	\$
Loss for the year	(3,944)	(59,284)
Adjustments to reconcile loss before tax to net cash flows:		
Change in operating assets and liabilities:		
Increase in trade and other receivables	12,046	(1,541)
Decrease in trade and other payables	(36,716)	43,382
Net cash outflow from operating activities	(28,614)	(17,443)

4. Property, plant and equipment

	2020	2019
	\$	\$
Capital works in progress	209,784	-

Capital works in progress relate to the construction of a solar generation facility and battery.

5. Loans

	2020	2019
	\$	\$
Loan to Ranger Loaders Pty Ltd	286,315	17,443

Ranger Loaders Pty Ltd is a related entity of one of the directors. The loan provided by Ranger Loaders Pty Ltd is interest free, unsecured and Ranger will not request any loan repayments if the Company does not have the financial capacity to make any loan repayments.

6. Contributed equity

	2020	2019
	\$	\$
Issued capital		
100 fully paid ordinary shares (2019: 100)	100	100

Directors' declaration

In the opinion of the Directors of Bristol Springs Solar Pty Ltd (the **Company**):

- (a) the Company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached financial statements have been prepared for the purpose of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Bristol Springs Solar Pty Ltd;
- (b) the financial statements and notes, set out on pages 4 to 13, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2020 and of its performance for the financial year ended on that date in accordance with the basis of preparation described in Notes 1 to 2; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



Johnathon Goyder

Director

Date 25/11/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL SPRINGS SOLAR PTY LTD

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Bristol Springs Solar Pty Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Bristol Springs Solar Pty Ltd is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 2, and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial report which indicates that the Company incurred a net loss of \$3,944 during the year ended 30 June 2020. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, 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, 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.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used based on the accounting policies disclosed in Note 2 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Partner

Dated 25th of November 2021

To the Board of Directors,

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

As lead audit Partner for the audit of the financial statements of Bristol Springs Solar Pty Ltd for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Partner

Dated 25th of November 2021