

Norfolk Metals Pty Ltd

ACN 652 438 385

Financial Report

For the Financial Period Ended 30 September 2021

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CORPORATE DIRECTORY

DIRECTOR

Ben Edwards – Executive Director (Appointed 13 July 2021)

Leonardo Pilapil – Non-Executive Director (Appointed 10 October 2021)

Patrick Holywell – Non-Executive Director (Appointed 10 October 2021)

COMPANY SECRETARY

Arron Canicais (Appointed 19 August 2021)

PRINCIPAL & REGISTERED OFFICE

Unit 1, 295 Rokeby Road

Subiaco WA 6008

AUDITORS

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco WA 6008

DIRECTORS' REPORT

The directors of Norfolk Metals Pty Ltd (the "Company") submit herewith the financial report of the Company for the period ended 30 September 2021. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1) BOARD OF DIRECTORS

The names of the Company's directors in office during and since the financial period ended until the date of the report are as follows:

Directors	Position
Ben Philips	Executive Director (Appointed 13 July 2021)
Leonardo Pilapil	Non-Executive Technical Director (Appointed 10 October 2021)
Patrick Holywell	Non-Executive Independent Director (Appointed 10 October 2021)

2) INFORMATION ON DIRECTORS

Ben Philips (Appointed 13 July 2021)

Mr. Phillips has over 15 years experience in commercial negotiations with a broad spectrum of industries including Oil and Gas, Resources, Medical technology, SaaS and Defence. Mr. Phillips advises departments ranging from R&D and exploration through to production, commercialisation and sales. Mr. Phillips previously held a Non-Executive Director position at Bronson Group BGR:ASX and subsequently Mandrake Resources MAN:ASX. Mr. Phillips' current position as a Corporate Executive at Ironside is focused on sourcing, structuring, funding and management requirements for small-cap companies both private and public. Mr. Phillips has worked for Ironside Capital since incorporation having previously held a position at Merchant Corporate Finance.

Leonardo Pilapil (Appointed 10 October 2021)

Mr Leo Pilapil has over 30 years experience as a Geoscientist and 3 years as a Financial Planner. As a geoscientist, he has held Director Positions for several junior companies in Australia, Africa and Turkey, mainly responsible for technical project evaluations, project acquisitions, project management and business development. Mr Pilapil was responsible for the discovery of the Harlequin Gold Deposit (1Moz) under salt lake conditions in Norseman WA Australia and has also been responsible for the mine extensions and discoveries of several ore deposits in Australia, Africa, Turkey and more recently in Laos PDR. He has developed an expertise in 'Prospect to Mine' process through his vast experience in exploration and mining.

In the last 18 years, Mr Pilapil has been working as a Geological Consultant for various companies around the world including Aditya Birla (Australia), Alacer Gold Corporation (Turkey), African Uranium (Namibia, Africa) and NIKKI Lao (Laos PDR). In the past 7 years, combining his sound business knowledge, Mr Pilapil established drilling companies in Turkey and Laos PDR servicing several major exploration and mining companies to complement the acquisition of his own personal projects.

Patrick Holywell (Appointed 10 October 2021)

Patrick Holywell has over fifteen years of experience in accounting, finance and corporate governance, including employment at Deloitte and Patersons. He is a Chartered Accountant and a Fellow of the Governance Institute of Australia with the last ten years focused on Director/CFO/Company Secretarial roles particularly in the resources and technology space. Mr Holywell worked at Deloitte, in the assurance and advisory division and was a founding member and investment analyst for Patersons Asset Management. Mr Holywell has completed a Bachelor of Commerce at UWA, a Graduate Diploma of Chartered Accounting with the Institute of Chartered Accountants and the Company Directors Course with the Australian Institute of Company Directors. Mr Holywell is currently a director of Si6 Metals Limited as well as company secretary of De Grey Mining Limited and Pentanet Limited.

3) COMPANY SECRETARY

The names of the Company Secretaries in office during and since the financial period ended until the date of the report are as follows:

Arron Canicaïs	Appointed 19 August 2021
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4) PRINCIPAL ACTIVITIES

The principal activities during the period were incorporation for the purposes of undertaking acquisitions of tenements and to undertake an Initial Public Offering.

DIRECTORS' REPORT

5) FINANCIAL RESULTS

The financial results of the Company for the period ended 30 September 2021 are:

	30/09/2021
Cash and cash equivalents (\$)	124,186
Net assets (\$)	124,017
Revenue (\$)	6
Net loss after tax (\$)	(31,384)

6) DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

7) REVIEW OF OPERATIONS

Corporate Activities

The Company is a junior exploration company, established with the purpose of exploring and developing gold, uranium and other mineral opportunities. The Company will employ practices to see all exploration activities conducted achieve net zero carbon emissions (Scope 1 & 2). The company endorses the Task Force on Climate-Related Financial Disclosures (TCFD) standards and will adopt the recommendations in future reporting cycles. The Company was incorporated as an unlisted proprietary limited company on 30 July 2021 for the primary purpose of acquiring Roger River Resources Pty Ltd ACN 644 016 053 (**RRR**), which is the registered holder of one granted exploration licence EL 20/2020 and one ELA located in Tasmania, acquiring Black Lake Pty Ltd ACN 637 966 879 (**Black Lake**), which is the registered holder of one exploration licence EL6552 located in South Australia, listing on the ASX and exploring and developing its mineral assets.

8) SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial year.

9) AFTER BALANCE DATE EVENTS

Subsequent to the year end, the Company:

- Entered into a Heads of Agreement on the 4th of October 2021 with Roger River Resources Pty Ltd to acquire 100% of the issued capital in Roger River Resources Pty Ltd. Norfolk Metals agrees to issue:
 - (a) 2,100,000 fully paid ordinary shares in the capital of Norfolk Metals (Shares) at a deemed issue price of \$0.20 per Share (Consideration Shares);
 - (b) 2,100,000 options to acquire to Shares which free-attach to the Consideration Shares on a 1:1 basis (exercisable at \$0.25 each on or before the date that is 5 years from their date of issue) (Consideration Options); and
 - (c) 1,400,000 performance rights (Performance Rights) which convert into Shares on a 1:1 basis subject to the satisfaction of the conditions of the Performance Rights set.
- Entered into a Heads of Agreement on the 5th of October 2021 Black Lake Pty Ltd to acquire 100% of the issued capital Black Lake Pty Ltd. The Company agrees to issue 500,000 fully paid ordinary shares in the capital of Norfolk Metals (Shares) at a deemed issue price of \$0.20 per Share (Consideration Shares) to the Shareholders (or their nominees) in consideration for the Acquisition (Consideration).
- On 8 October 2021, Mr Patrick Holywell was appointed to the Board of Directors and the shareholders approved the conversion of the company from a proprietary company to a public unlisted company.
- On 14 October 2021, 2,149,999 shares were issued on at an issue price of \$0.056 per share.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' REPORT

10) MEETINGS OF DIRECTORS

The number of Director's meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Directors	Directors Meetings	
	Number Eligible to Attend	Meetings Attended
Ben Philips	-	-
Leonardo Pilapil	-	-
Patrick Holywell	-	-

The Company does not have a formally constituted audit committee nor a remuneration committee as the board considers that the company's size and type of operation do not warrant such committees.

11) FUTURE DEVELOPMENTS

The Company aims to complete an Initial Public Offering and formally acquire Roger River Resources Pty Ltd and Black Lake Pty Ltd. Directors continue to actively explore and evaluate mineral exploration tenements in Australia.

12) ENVIRONMENTAL ISSUES

The Company is not subject to any significant environmental regulation under the Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Company.

13) OPTIONS

At the date of this report there are no unissued ordinary shares of the Company under option.

No ordinary shares have been issued as a result of the exercise of options during or since the end of the financial year.

14) INDEMNIFYING OFFICERS OR AUDITOR

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

15) PROCEEDINGS ON BEHALF OF 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 these proceedings.

The Company was not a party to any such proceedings during the period.

16) AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended 30 September 2021 has been received and can be found on page 7 of the annual report.

17) NON-AUDIT SERVICES

During the financial period Hall Chadwick WA Audit Pty Ltd did not perform any other services in addition to their statutory duties.



Ben Philips
Director

Dated this 15th 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 Norfolk Metals Pty Ltd for the period ended 30 September 2021, 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 WA AUDIT PTY LTD


MARK DELAURENTIS CA
Partner

Dated at Perth this 15th day of November 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	13 July 2021- 30 September 2021
		\$
Other income		6
Administration expenses		(5,180)
Corporate advisory fees		(13,775)
Legal and compliance expenses		(12,435)
Loss before income tax expense		(31,384)
Income tax expense	2	-
Net loss for the period		(31,384)
Other comprehensive Income		-
Total comprehensive income for the period		(31,384)
		Cents
Loss per share attributable to the ordinary equity holders of the Company:		
Basic and diluted loss per share from continuing operations	10	(8.81)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Notes	30 September 2021
		\$
CURRENT ASSETS		
Cash and cash equivalents	3	124,186
Trade and other receivables	4	2,331
TOTAL CURRENT ASSETS		126,517
NON-CURRENT ASSETS		
Exploration Expenditure	5	17,420
TOTAL NON-CURRENT ASSETS		17,420
TOTAL ASSETS		143,937
CURRENT LIABILITIES		
Trade and other payables	6	19,920
TOTAL CURRENT LIABILITIES		19,920
TOTAL LIABILITIES		19,920
NET ASSETS / (LIABILITIES)		124,017
EQUITY		
Issued capital	7	155,401
Accumulated losses	8	(31,384)
TOTAL EQUITY		124,017

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 13 July 2021	-	-	-
Loss for the period	-	(31,384)	(31,384)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(31,384)	(31,384)
Transaction with owners in their capacity as owners:			
Issue of share capital	155,401	-	155,401
Balance at 30 September 2021	155,401	(31,384)	124,017

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

	Notes	13 July 2021- 30 September 2021
		\$
Cash flows from operating activities		
Payments to suppliers and employees		(26,220)
Payment for exploration expenditure		6
Net cash used in operating activities	3(a)	(26,214)
Cash flows from financing activities		
Proceeds from share issue		155,400
Proceeds from borrowings		(5,000)
Net cash from financing activities		150,400
Net increase in cash and cash equivalents held		124,186
Cash and cash equivalents at beginning of financial period		-
Cash and cash equivalents at end of financial period	3(a)	124,186

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report covers the Company of Norfolk Metals Pty Ltd and has been prepared in Australian dollars. The Company is a Proprietary Ltd company, incorporated and domiciled in Australia.

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

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

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going concern:

The financial report has been prepared on the 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 Company incurred a loss for the period of \$31,384 and net cash outflows from operating activities of \$26,214. These factors indicate a material uncertainty that may cast a significant doubt on the entity's ability to continue as a going concern.

The directors have prepared an estimated cash flow forecast for the 12 month period from the date of this report to determine if the Company will require additional funding during the period. Where this cash flow forecast includes the likelihood that additional amounts will be needed and these funds have not yet been secured, it creates uncertainty as to whether the Company will continue to operate in the manner it has planned over the next 12 months.

Where the cash flow forecast includes these uncertainties, the directors are required to make an assessment of whether it is reasonable to assume that the Company will be able to continue its normal operations. The directors are satisfied that the going concern basis of preparation is appropriate based on the following factors and judgements:

- Norfolk Metals Pty Ltd is aiming to complete its IPO within the next 6 months from the date of this report, with the expected raising to be \$5 million; and
- The Directors anticipate the support of the Company's major shareholders to continue with the advancement of the Company's assets.

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 ordinary course of business and at amounts different to those stated in the annual report. The annual report does not include any adjustments relating to the recoverability and classification of asset carrying amounts 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.

(a) Critical Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Exploration expenditure

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest. The Company capitalises only the initial acquisition costs to obtain right of tenure exploration and evaluation assets.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

Coronavirus (COVID-19) pandemic

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

Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

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

(b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues.

Impairment of Assets

At each reporting date the Company assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Company makes a formal estimate of recoverable amount. Where carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or Company assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are 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.

(c) Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit or loss nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(d) 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 Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(f) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(g) Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of plant and equipment is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Exploration Expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except in the following circumstances in which case the expenditure may be capitalised:

- The existence of a commercially viable mineral deposit has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure; and
- The exploration and evaluation activity is within an area of interest which was acquired as an asset acquisition or in a business combination and measured at fair value on acquisition.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

(i) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(j) Issued Capital

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(k) Share based payments

Under AASB 2 Share Based Payments, the Company must recognise the fair value of shares and options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. No revision to original estimates is made in respect of options issued with market based conditions.

The Company provides benefits to employees (including directors) of the Company in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using an appropriate option pricing model.

In relation to the valuation of the share-based payments, these are valued using an appropriate option valuation method. Once a valuation is obtained management use an assessment as to the probability of meeting non-market based conditions. Market conditions are vested over the period in which management assess it will take for these conditions to be satisfied.

(l) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

- Financial assets
- Financial assets are subsequently measured at:
- amortised cost;

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- fair value through other comprehensive income; or
- fair value through profit or loss.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Assets

At the end of each reporting period, the Company 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 including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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.

(m) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

(n) Application of new and revised accounting standards

A number of new or amended standards became applicable for the current reporting period and the Company has changed its accounting policies as a result of the adoption of the following standards. The adoption of these Accounting Standards and Interpretations did not have any significant impact to the financial performance or position of the entity.

(o) New Accounting Standards for Application in Future Periods

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC, where an Australian equivalent has not been made by the AASB, were in issue but not yet effective for which the Entity has considered it unlikely for there to be a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2. INCOME TAX EXPENSE

	<u>30-Sep-21</u>
	<u>\$</u>
(a) The components of tax expense comprise:	
Current tax	-
Deferred tax	-
	<u>-</u>
(b) The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:	
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5%	8,631
Add tax effect of:	
- Non-deductible expenditure/(Non-assessable income)	-
- Non-assessable income	-
- Other deferred tax balances not recognised	(8,631)
Income tax expense	<u>-</u>
(c) Deferred tax liability	
Exploration	-
	<u>-</u>
Off-set of deferred tax assets	-
Net deferred tax liability not brought to account	<u>-</u>
(d) Unrecognised Deferred tax asset	
Tax losses	8,631
Other temporary differences	-
	<u>8,631</u>
Off-set of deferred tax liabilities	-
Net unrecognised deferred tax assets	<u>8,631</u>

3. CASH AND CASH EQUIVALENTS

	<u>30-Sep-21</u>
	<u>\$</u>
(a) Reconciliation to cash at the end of the period	
Cash at Bank and in hand	124,186
Loss for the financial period	<u>(31,384)</u>
Adjustments for:	
Depreciation expense	-
Finance expense	-
Creditors settled in equity	-
Changes in assets and liabilities:	
- (Increase) / Decrease in trade and other receivables	(2,331)
- (Decrease) / Increase in trade and other payables	7,501
Net cash provided by operating activities	<u>(26,214)</u>

NOTES TO THE FINANCIAL STATEMENTS

4. TRADE AND OTHER RECEIVABLES

	30-Sep-21
	\$
Current	
GST Receivable	2,331
	2,331

5. EXPLORATION AND EXPENDITURE

	30-Sep-21
	\$
Opening Balance	-
Exploration Expenditure during the period	17,420
Closing Balance	17,420

Trade creditors are non-interest bearing and are normally settled on 30-day terms.

6. TRADE AND OTHER PAYABLES

	30-Sep-21
	\$
Trade creditors	-
Accruals	19,920
	19,920

Trade creditors are non-interest bearing and are normally settled on 30-day terms.

7. ISSUED CAPITAL

	30-Sep-21
	\$
750,001 fully paid ordinary shares on issue	155,401

(a) Movements in fully paid ordinary shares on issue:

Ordinary Shares	Date	Quantity	Issue Price	\$
Balance at 13 July 2021		-		-
Incorporation issue	13/07/2021	1	\$1.00	1
Share Issue 24 August 2021	24/08/2021	750,000	\$0.04666	35,000
Share Issue ¹	14/09/2021	-	\$0.056	120,400
Balance at 30 September 2021		750,001		155,401

¹ Funds were received in advanced for fixed amount of shares, as such it has been recognised as equity, 2,149,999 shares were officially issued on 14 October 2021 at an issue price of \$0.056 per share.

(b) Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

NOTES TO THE FINANCIAL STATEMENTS

7. ISSUED CAPITAL (continued)

Given the nature of the Company's activities in mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings and borrowings from related parties. Accordingly, the objective of the Company's capital risk management was to balance its working capital position against the requirements of the Company to meet exploration programmes and overheads. This was achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings and borrowing funds from related parties as required.

The working capital position of the Company at 30 September 2021 are as follows:

	30-Sep-21
	\$
Cash and cash equivalents	124,186
Trade and other receivables	2,331
Trade and other payables	(19,920)
Borrowings	-
Working capital position	106,597

8. ACCUMULATED LOSSES

	30-Sep-21
	\$
Balance at beginning of the period	-
Net loss attributable to members	(31,384)
At reporting date	(31,384)

9. FINANCIAL INSTRUMENTS

(i) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Company's policy not to trade in financial instruments.

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Financial Risk Exposures and Management

The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Foreign Currency Risk

The Company is not exposed to fluctuations in foreign currencies.

(b) Interest Rate Risk

The Company is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not currently have short or long-term debt, and therefore this risk is minimal.

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL INSTRUMENTS (continued)

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

(d) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows. The Company does not have any significant liquidity risk as the Company does not currently have any collateral debts.

(e) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(ii) FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the Statement of Financial Position.

	Weighted average interest rate %	Floating interest rate \$	Fixed interest maturing in			Non-Interest bearing \$	Total \$
			1 year or less \$	over 1 year less than 5 \$	more than 5 years \$		
30-Sep-21							
Financial Assets							
Cash and cash equivalents	-	-	-	-	-	124,186	124,186
Trade and other receivables	-	-	-	-	-	2,331	2,331
	-	-	-	-	-	126,517	126,517
Financial Liabilities							
Trade and other creditors	-	-	-	-	-	19,920	19,920
Borrowings	-	-	-	-	-	-	-
	-	-	-	-	-	19,920	19,920

10. EARNINGS PER SHARE

	30-Sep-21
	\$
(a) Loss used in the calculation of basic earnings per share	(31,384)
	Number of shares
(b) Weighted average number of ordinary shares outstanding during the financial period used in calculation of basic earnings per share	356,257

11. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company operates in one geographical and business segment being gold and uranium exploration in Australia. All segment assets, segment liabilities and segment results relate to the one segment and therefore no segment analysis has been prepared.

NOTES TO THE FINANCIAL STATEMENTS

12. RELATED PARTY TRANSACTIONS

There were no related party transactions incurred during the period.

13. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the year end, the Company:

- Entered into a Heads of Agreement on the 4th of October 2021 with Roger River Resources Pty Ltd to acquire 100% of the issued capital of Roger River Resources Pty Ltd. Norfolk Metals agrees to issue:
 - (a) 2,100,000 fully paid ordinary shares in the capital of Norfolk Metals (Shares) at a deemed issue price of \$0.20 per Share (Consideration Shares);
 - (b) 2,100,000 options to acquire to Shares which free-attach to the Consideration Shares on a 1:1 basis (exercisable at \$0.25 each on or before the date that is 5 years from their date of issue) (Consideration Options); and
 - (c) 1,400,000 performance rights (Performance Rights) which convert into Shares on a 1:1 basis subject to the satisfaction of the conditions of the Performance Rights set.
- Entered into a Heads of Agreement on the 5th of October 2021 Black Lake Pty Ltd to acquire 100% of the issued capital Black Lake Pty Ltd. The Company agrees to issue 500,000 fully paid ordinary shares in the capital of Norfolk Metals (Shares) at a deemed issue price of \$0.20 per Share (Consideration Shares) to the Shareholders (or their nominees) in consideration for the Acquisition (Consideration).
- On 8 October 2021, Mr Patrick Holywell was appointed to the Board of Directors and the shareholders approved the conversion of the company from a proprietary company to a public unlisted company.
- On 14 October 2021, 2,149,999 shares were issued on at an issue price of \$0.056 per share.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

14. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 September 2021, and the interval between 30 September 2021 and the date of this report.

15. COMMITMENTS

	6 months	12 months	18 months	Total
30-Sep-21	\$	\$	\$	\$
Exploration Commitments	-	-	-	-

DIRECTORS' DECLARATION

1. The directors of the company declare that:
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the entity's financial position as at 30 September 2021 and of its performance for the period then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 September 2021.

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:



Ben Philips
Director

Dated this 15th of November 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORFOLK METALS PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Norfolk Metals Pty Ltd ("the Company"), which comprises the statement of financial position as at 30 September 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Entity's financial position as at 30 September 2021 and of its financial performance for the period then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 Entity 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Entity incurred a net loss of \$31,384 during the period ended 30 September 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Entity'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 Entity's annual report for the period ended 30 September 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.

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 the Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Entity'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 Entity 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 Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Entity 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.

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA

Partner

Dated at Perth this 15th day of November 2021