

**Tailflower Pty Ltd**

**ACN 651 550 471**

**Interim Report**

**31 October 2021**

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## **CORPORATE INFORMATION**

**ABN 18 651 550 471**

**Director**

Emmanuel Correia

**Company Secretary**

Emmanuel Correia

**Registered office**

29 Loma Street  
Cottesloe WA 6011

**Principal place of business**

29 Loma Street  
Cottesloe WA 6011

**Auditors**

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street  
Perth WA 6000

## DIRECTORS' REPORT

Your Director submits the financial report of Tailflower Pty Ltd ("the Company") for the period from the date of the Company's incorporation, 30 June 2021 to 31 October 2021. The Director reports as follows:

### Directors

The name of the Director who held office during or since the end of the interim period and until the date of this report is noted below. The Director was in office for the entire period unless otherwise stated.

Emmanuel Correia

### Review of Operations

The loss for the period ended 31 October 2021 was \$40,556.

During the period, the Company entered into a Heads of Agreement with Beau Resources Pty Ltd ("Beau"), whereby the Company acquired a 100% interest in the Jarama Gold Project (E59/2501), the Cambridge Nickel-PGE Project (E39/2136), the Gabyon Gold Project (E59/2454), the Viper Polymetallic Project (E47/4466) and the right to acquire the Cambridge Nickel-PGE Project (E39/2195) and the Horse Rocks Polymetallic Project (E15/1770) from Beau for consideration comprising cash of \$200,000 plus GST and a 2% gross value royalty payable to Beau or its nominee for all minerals, metals and products recovered and sold from the projects' tenement boundaries.

The Company also entered into a Binding Heads of Agreement with Lord Resources Limited ("Lord") whereby Lord would acquire 100% of the Company's issued capital subject to certain conditions precedent. This transaction would form part of Lord's listing with ASX.

The consideration payable by Lord to the Tailflower shareholders is as follows:

- (a) issue 3,000,000 fully paid ordinary shares in the capital of Lord, at a deemed issue price of \$0.20 per Share (**Consideration Shares**); and
- (b) issue 6,000,000 free-attaching Options (exercisable at \$0.25 each and expiring on the date that is 5 years from the date of issue) (**Consideration Options**),  
to the Tailflower shareholders (or their nominees).

### Events Subsequent to Reporting Date

There have been no matters or circumstances that have arisen after balance date that have 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 periods.

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Director of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of this Director's report for the period ended 31 October 2021.



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**Emmanuel Correia**  
**Director**

**22 March 2022**



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Tailflower Pty Ltd for the period ended 31 October 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia  
22 March 2022

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

L Di Giallonardo  
Partner

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 OCTOBER 2021**

	31 October 2021 \$
<b>Continuing operations</b>	
Other income – expenses reimbursed	6,650
Tenement registration fees	(556)
Legal and advisory fees	(40,000)
Stamp duty	(6,650)
<b>Loss before income tax expense</b>	<b>(40,556)</b>
Income tax expense	-
<b>Loss after income tax</b>	<b>(40,556)</b>
<b>Other comprehensive income, net of income tax</b>	
Other comprehensive income	-
<b>Other comprehensive income for the period, net of income tax</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>	<b>(40,556)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2021**

	Notes	31 October 2021 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents		9,444
<b>Total current assets</b>		<b>9,444</b>
<b>Non-current assets</b>		
Exploration and evaluation expenditure	3	200,000
<b>Total non-current assets</b>		<b>200,000</b>
<b>Total assets</b>		<b>209,444</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables		-
<b>Total current liabilities</b>		<b>-</b>
<b>Total liabilities</b>		<b>-</b>
<b>Net assets</b>		<b>209,444</b>
<b>Equity</b>		
Share capital	4	250,000
Accumulated losses		(40,556)
<b>Total equity</b>		<b>209,444</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 OCTOBER 2021**

	Share capital	Accumulated losses	Total equity
	\$	\$	\$
<b>Balance at incorporation</b>	-	-	-
Loss for the period	-	(40,556)	(40,556)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(40,556)	(40,556)
Shares issued during the period	250,000	-	250,000
<b>Balance at 31 October 2021</b>	<b>250,000</b>	<b>(40,556)</b>	<b>209,444</b>

The accompanying notes form part of these financial statements.



**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 OCTOBER 2021**

	Notes	31 October 2021 \$
<b>Cash flows from operating activities</b>		
Reimbursement of expenses		6,650
Payments to suppliers and employees for admin and corporate		(47,206)
<b>Net cash outflow from operating activities</b>	5	(40,556)
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure		(200,000)
<b>Net cash outflow from investing activities</b>		(200,000)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares		250,000
<b>Net cash inflow from financing activities</b>		250,000
Net increase in cash held		9,444
Cash and cash equivalents at incorporation		-
<b>Cash and cash equivalents at the end of the period</b>		<b>9,444</b>

The accompanying notes form part of these financial statements.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

These interim financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of Australian Accounting Standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

For the purposes of preparing the financial statements, the Company is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report. The Company was incorporated on 30 June 2021. Accordingly, these interim financial statements are the first financial statements produced by the Company and no comparatives are applicable.

The accounting policies adopted by the Company are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia and all amounts are presented in Australian dollars.

For the purpose of preparing the interim financial statements, the period from incorporation to 31 October 2021 has been treated as a discrete reporting period.

**(b) Adoption of new and revised standards**

*Standards and Interpretations in issue not yet adopted*

The Directors have reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 October 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

**(c) Statement of compliance**

The interim financial statements were authorised for issue on 22 March 2022.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

**(d) Significant accounting estimates and judgements**

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were as follows:

*Exploration and evaluation expenditure*

The recoverability of the carrying value of exploration and evaluation expenditure carried forward has been reviewed by the Director. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report.

**(e) Going concern**

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. At balance date, the Company had a working capital surplus of \$9,444. The Director believes that the Company is a going concern as it has the ability to raise further equity as required to fund ongoing operations.

If the Company is unable to raise further equity sufficient to fund ongoing operations, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

(f) Income tax

The charge for current income tax is based on the profit/loss for the period adjusted for any non-assessable or disallowed items. It is calculated using the rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profit will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(h) Exploration and evaluation expenditure

Exploration costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period in which that decision is made, to the extent that they will not be recovered in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(i) 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.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and service tax (GST).

(j) Impairment of assets

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Due to their short-term nature, they are measured at amortised cost and are not discounted.

(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. 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.

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) Share-based payments

The fair value of options at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting condition (for example, exploration related targets). Non-market vesting conditions are included in the assumption about the number of options that are expected to become exercisable.

Upon the exercise of options, the balance of the share-based payments reserve relating to these options is transferred to share capital.

The market value of shares issued to employees for no cash consideration is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

**NOTE 2: SEGMENT REPORTING**

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segments have been determined with reference to the monthly management accounts used by the Director to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Company, the Director has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being Mineral Exploration and one geographical segment, namely Australia.

The revenues and results of this segment are those of the Company as a whole and are set out in the statement of profit or loss and other comprehensive income and the assets and liabilities of the Company as a whole are set out in the statement of financial position.

**NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE**

	31 October 2021
	\$
Exploration and evaluation phase:	
Balance at incorporation	-
Additions	200,000
Balance at 31 October 2021	200,000

Ultimate recovery of exploration and evaluation expenditure carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively, by sale of the respective areas.

**NOTE 4: SHARE CAPITAL**

	31 October 2021	
	\$	
Ordinary shares Issued and fully paid	<u>250,000</u>	
	Incorporation to	
	31 October 2021	
	No.	\$
<i>Movements in ordinary shares</i>		
Balance on incorporation	-	-
Shares issued during the period	250,002	250,000
Balance at end of the period	<u>250,002</u>	<u>250,000</u>

**NOTE 5: RECONCILIATION OF CASH USED IN OPERATING ACTIVITIES TO LOSS**

	Incorporation to
	31 October 2021
	\$
Loss after income tax	(40,556)
<i>Changes in operating assets and liabilities:</i>	
Increase in trade and other payables	-
Net cash used in operating activities	<u>(40,556)</u>

**NOTE 6: FINANCIAL INSTRUMENTS**

The Director considers that the carrying value of the financial assets recognised in the financial statements approximate their fair values.

	31 October 2021	
	Carrying amount	Fair value
	\$	\$
<i>Financial assets</i>		
Cash and cash equivalents	9,444	9,444

**NOTE 7: CONTINGENCIES**

The Company has no contingent liabilities.

The consideration for the Company's acquisition of tenements from Beau Resources Pty Ltd ("Beau") includes a 2% gross value royalty payable to Beau or its nominees for all minerals, metals and products recovered and sole from the projects' tenement boundaries.

**NOTE 8: COMMITMENTS**

*Exploration commitments*

To maintain current rights of tenure to exploration tenements, the Company is required to meet minimum expenditure requirements specified by the State Government. The minimum amount required to retain tenure is \$75,000. These obligations are expected to be fulfilled in the normal course of business.

**NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE**

There have been no matters or circumstances that have arisen after balance date that have 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 periods.

**NOTE 10: RELATED PARTY DISCLOSURES**

The Director, Emmanuel Correia, has provided corporate consulting services to the Company amounting to \$40,000. These services were provided on normal commercial terms and conditions.

**DIRECTORS' DECLARATION**

In the opinion of the Director of Tailflower Pty Ltd (the 'Company'):

- a. the accompanying interim financial statements and notes are in accordance with AASB 134 *Interim Financial Reporting* including:
  - i. giving a true and fair view of the Company's financial position as at 31 October 2021 and of its performance for the period then ended; and
  - ii. complying with Australian Accounting Standards, 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 interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is signed in accordance with a resolution of the Director.



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**Emmanuel Correia**  
Director

**22 March 2022**

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Tailflower Pty Ltd

**Report on the Interim Financial Report***Conclusion*

We have reviewed the accompanying interim financial report of Tailflower Pty Ltd ("the company") which comprises the statement of financial position as at 31 October 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 ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Tailflower Pty Ltd does not comply with AASB 134 *Interim Financial Reporting*, including:

- (a) giving a true and fair view of the company's financial position as at 31 October 2021 and of its performance for the period ended on that date; and
- (b) complying with other mandatory professional reporting requirements in Australia.

*Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Material uncertainty related to going concern*

We draw attention to Note 1(e) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

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*Responsibility of the director for the financial report*

The director of the company is responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with AASB 134 *Interim Financial Reporting* and for such internal control as the director determines is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's responsibility for the review of the financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with AASB 134 *Interim Financial Reporting*, including giving a true and fair view of the company's financial position as at 31 October 2021 and its performance for the half-year ended on that date, and complying with other mandatory professional reporting requirements in Australia.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**22 March 2022**



**L Di Giallonardo**  
**Partner**