

Osmond Resources Limited

ABN 96 649 477 734

**Financial report for the half-year ended
31 December 2021**

Osmond Resources Limited
Directors' report
31 December 2021

The directors present their report, together with the financial statements, on Osmond Resources Limited (referred to hereafter as the 'company') for the period from 1 July 2021 to 31 December 2021.

Directors

The following persons were directors of Osmond Resources Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Rhoderick Grivas – Non-Executive Chairman (appointed 15 September 2021)

Andrew Shearer – Executive Director (appointed 15 September 2021)

Daniel Eddington – Non-Executive Director

Principal activities

During the financial period the principal continuing activities of the Company consisted of exploration and development focused on gold and base metals discoveries.

Review of operations

The loss for the Company after providing for income tax amounted to \$173,972.

Significant changes in the state of affairs

On 17 August 2021, the Company changed its status from a private Company to a public Company.

During August and September 2021, \$620,000 in funds were raised via the issue of Convertible Notes.

The key terms and conditions of the Notes are as follows:

- Face Value of \$620,000, Nil interest rate.
- The liabilities of the convertible notes will be extinguished as follows:
 - If an Initial Public Offering (IPO) or Reverse TakeOver (RTO) occurs the number of shares to be issued is 620,000/60% of the IPO or RTO price; or
 - If the maturity date is 12 months after the date of the Agreement, the number of shares to be issued is 620,000/60% of the last proposed IPO or RTO price; or
 - If the maturity date is 18 months after the date of the Agreement, the number of shares to be issued is 620,000/60% of the last proposed IPO or RTO price or the last completed financing price.

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

Matters subsequent to the end of the financial period

On 1 February 2022, the Company issued 300,000 shares valued at \$30,000 as consideration for additional Options in respect to exploration projects. On 5 April 2022, pursuant to acquisition and Option agreements, the Company issued 2,600,000 shares valued at \$520,000 as consideration for exploration project rights and interests.

On 4 February 2022, the Board agreed to issue 3,000,000 unlisted Options exercisable at 25 cents each with an expiry date of 3 years from the date of admission of the Company shares trading on the ASX. Recipients were key management personnel and a consulting firm.

On 6 April 2022, the Company issued 5,166,675 shares at 12 cents each upon conversion of the Convertible Notes. The Board also agreed to issue 2,500,000 unlisted Options to brokers, exercisable at 25 cents each with an expiry date of 3 years from the date of admission of the Company shares trading on the ASX.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Osmond Resources Limited
Directors' report
31 December 2021

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Shearer
Executive Director

8 April 2022
Melbourne

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Osmond Resources Limited for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Dated: 8 April 2022
Melbourne, Victoria

Osmond Resources Limited

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General information

The financial statements cover Osmond Resources Limited as a single entity for the period. The financial statements are presented in Australian dollars, which is Osmond Resources Limited's functional and presentation currency.

Osmond Resources Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 2
480 Collins Street
Melbourne VIC 3000

Principal place of business

Level 2
480 Collins Street
Melbourne VIC 3000

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Osmond Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	31 December 2021 \$
Revenue	-
Expenses	
Employee entitlements	(53,503)
Company secretary	(8,750)
Legal expenses	(35,981)
IPO consulting expenses	(60,890)
Other administration expenses	(14,848)
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Loss before income tax expense	(173,972)
Income tax expense	-
	<hr/>
Loss after income tax expense for the period	<u>(173,972)</u>
Other comprehensive income	
Other comprehensive income for the period, net of tax	-
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Total comprehensive income for the period	<u><u>(173,972)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Osmond Resources Limited
Statement of financial position
As at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		508,745	763
Trade and other receivables		1,628	536
Prepayments		5,500	-
Total current assets		<u>515,873</u>	<u>1,299</u>
Non-Current assets			
Other financial assets		60,000	-
Total non-current assets		<u>60,000</u>	<u>-</u>
Total assets		<u>575,873</u>	<u>1,299</u>
Liabilities			
Current liabilities			
Trade and other payables		95,445	6,899
Convertible notes	2	<u>620,000</u>	<u>-</u>
Total current liabilities		<u>715,445</u>	<u>6,899</u>
Total liabilities		<u>715,445</u>	<u>6,899</u>
Net assets		<u>(139,572)</u>	<u>(5,600)</u>
Equity			
Issued capital	3	41,610	1,610
Accumulated losses		<u>(181,182)</u>	<u>(7,210)</u>
Total equity		<u>(139,572)</u>	<u>(5,600)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Osmond Resources Limited
Statement of changes in equity
For the period ended 31 December 2021

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 15 April 2021	-	-	-
Loss after income tax expense for the period	-	(7,210)	(7,210)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(7,210)	(7,210)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	1,610	-	1,610
Balance at 30 June 2021	<u>1,610</u>	<u>(7,210)</u>	<u>(5,600)</u>
Loss after income tax expense for the period	-	(173,972)	(173,972)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(173,972)	(173,972)
<i>Transactions with owners in their capacity as owners:</i>			
Options acquired – share based payments	40,000	-	40,000
Balance at 31 December 2021	<u>41,610</u>	<u>(181,182)</u>	<u>(139,572)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Osmond Resources Limited
Statement of cash flows
For the half-year ended 31 December 2021

	Note	31 December 2021 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		-
Payments to suppliers and employees (inclusive of GST)		<u>(112,018)</u>
Net cash used in operating activities		<u>(112,018)</u>
 Cash flows from financing activities		
Proceeds from issue of convertible notes	2	<u>620,000</u>
Net cash from financing activities		<u>620,000</u>
 Net increase/(decrease) in cash and cash equivalents		507,982
Cash and cash equivalents at the beginning of the financial period		<u>763</u>
Cash and cash equivalents at the end of the financial period		<u><u>508,745</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the period ended 30 June 2021.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new or amended Accounting Standards and Interpretations has neither a significant impact in the results for the period, nor in the financial position of the Company.

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

Note 2. Current liabilities – convertible notes

	31 December 2021 \$	30 June 2021 \$
Convertible notes	620,000	-

The key terms and conditions of the Notes are as follows:

- Face Value of \$620,000
- Nil interest rate
- The liabilities of the convertible notes will be extinguished as follows:
 - If an Initial Public Offering (IPO) or Reverse TakeOver (RTO) occurs the number of shares to be issued is 620,000/60% of the IPO or RTO price; or
 - If the maturity date is 12 months after the date of the Agreement, the number of shares to be issued is 620,000/60% of the last proposed IPO or RTO price; or
 - If the maturity date is 18 months after the date of the Agreement, the number of shares to be issued is 620,000/60% of the last proposed IPO or RTO price or the last completed financing price.

As the Note Holders may be settled upon the issue of a variable number of Shares at the relevant maturity dates, the Notes meet the definition of a financial liability.

The IPO is planned to occur within 12 months of issue of the Notes. The nominal value of these Convertible notes are deemed to represent their fair value at 31 December 2021.

Note 3. Equity - issued capital

	31 December 2021 Shares	30 June 2021 Shares	31 December 2021 \$	30 June 2021 \$
Ordinary shares - fully paid	<u>16,500,001</u>	<u>16,100,001</u>	<u>41,610</u>	<u>1,610</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance		-		-
Issue of shares	May 2021	<u>16,100,001</u>	\$0.0001	<u>1,610</u>
Balance	30 June 2021	16,100,001		1,610
Issue of shares – Option fees	October 2021	400,000	\$0.10	40,000
Balance	31 December 2021	<u>16,500,001</u>		<u>41,610</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 4. Events after the reporting period

On 1 February 2022, the Company issued 300,000 shares valued at \$30,000 as consideration for additional Options in respect to exploration projects. On 5 April 2022, pursuant to acquisition and Option agreements, the Company issued 2,600,000 shares valued at \$520,000 as consideration for exploration project rights and interests.

On 4 February 2022, the Board agreed to issue 3,000,000 unlisted Options exercisable at 25 cents each with an expiry date of 3 years from the date of admission of the Company shares trading on the ASX. Recipients were key management personnel and a consulting firm.

On 6 April 2022, the Company issued 5,166,675 shares at 12 cents each upon conversion of the Convertible Notes. The Board also agreed to issue 2,500,000 unlisted Options to brokers, exercisable at 25 cents each with an expiry date of 3 years from the date of admission of the Company shares trading on the ASX.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Osmond Resources Limited
Directors' declaration
31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- 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 made pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Shearer
Executive Director

8 April 2022
Melbourne

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Osmond Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Osmond Resources Limited ('the Company') which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Osmond Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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* ('ASRE 2410'). 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Osmond Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Osmond Resources Limited are responsible for the preparation of the half-year 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 half-year financial report that 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 the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Dated: 8 April 2022
Melbourne, Victoria