

Bindi Metals Limited
ACN: 650 470 947

Interim Financial Report
for the Period from Incorporation
25 May 2021 to 31 December 2021

BINDI METALS LIMITED
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**BINDI METALS LIMITED
CORPORATE DIRECTORY**

Directors

Non-Executive Chairman

Mr Ariel (Eddie) King

Executive Director

Mr Henry Renou

Non-Executive Director

Mr Cameron McLean

Company Secretary

Ms Aida Tabakovic

Registered and Principal Office

Level 11
216 St Georges Terrace
Perth Western Australia 6000

Telephone : +61 (8) 9481 0389

Facsimile : +61 (8) 9463 6103

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road, Subiaco
Western Australia 6008

Bankers

National Australia Bank Limited
Ground Floor, 100 St Georges Terrace
Perth Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001
Telephone: 1300 850 505

BINDI METALS LIMITED DIRECTORS' REPORT

The Directors present their report together with the financial statements of Bindi Metals Limited (referred to hereafter as "the Company") for the period since incorporation on 25 May 2021 to 31 December 2021.

Current Directors

The name and details of the Company's Directors in office during the period and until the date of this report are as follows. Directors were in office for the entire period unless stated otherwise.

Mr Steven Formica -	Non-Executive Chairman (appointed 25 May 2021, resigned 14 February 2022)
Mr Ariel (Eddie) King -	Non-Executive Chairman (appointed Non-Executive Director 25 May 2021, appointed as Non-Executive Chairman on 14 February 2022)
Mr Henry Renou -	Executive Director (appointed 25 May 2021)
Mr Cameron McLean -	Non-Executive Director (appointed 25 May 2021)

Principal Activities

The principal activity of the Company during the period was evaluation of the Biloela exploration project in Queensland, Australia.

Operating Results for the Period

The operating result of the Company for the period was a loss of \$251,869.

Significant Changes in State of Affairs

Other than those disclosed in this report, no significant changes in the state of affairs of the Company occurred during the period.

Review of Operations

The Company was incorporated on 25 May 2021. During the period the Company raised funds through capital raising initiatives and commenced work on the upcoming Initial Public Offering ('IPO') on the Australian Securities Exchange ('ASX') and this process continued subsequent to the end of the period with the execution of various agreements to facilitate this process. The Company expects to lodge an IPO Prospectus to raise \$4,800,000 (before costs) through the issue of 24,000,000 shares in April 2022.

Significant Events after Reporting Date

In March 2022, the Company undertook a seed capital raising, issuing 2,000,000 shares at \$0.16 to raise a total of \$320,000 (before costs).

In March 2022, \$170,000 (ex GST) was paid by the Company to the Vendor in consideration for the extension of the option period under the Acquisition Agreement (defined below) to 30 June 2022 and pursuant to the letter of variation entered into between the Company and the Vendor.

No other matters or circumstances have arisen since the end of the period 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.

Securities on issue

At the end of the period, Bindi Metals Limited had 4,100,001 ordinary shares on issue and 7,000,000 options with an exercise price of \$0.30 expiring 27 October 2024.

Future Developments

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

Non-Audit Services

During this period, no fees were paid to Hall Chadwick WA Audit Pty Ltd for non-audit services.

**BINDI METALS LIMITED
DIRECTORS' REPORT**

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd to provide the Directors of the Company with an Independence Declaration in relation to the review of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the directors:



Ariel (Eddie) King
Non-Executive Chairman

Dated this 31st day of March 2022

To the Board of Directors

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

As lead audit director for the audit of the financial statements of Bindi Metals Limited for the period ended 31 December 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

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Director

Dated this 31st day of March 2022
Perth, Western Australia

BINDI METALS LIMITED
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	For the period from 25 May 2021 – 31 December 2021 \$
Revenue		-
Administration expense		(21,094)
Exploration and evaluation expenses	4	(48,775)
Share based payments expense	7	<u>(182,000)</u>
Profit/(loss) before income tax		(251,869)
Income tax expense		<u>-</u>
Net profit/(loss) for the year		(251,869)
Other comprehensive income		<u>-</u>
Total comprehensive income/(loss) for the year		<u>(251,869)</u>

The accompanying notes form part of these financial statements

BINDI METALS LIMITED
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31-Dec-2021 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		67,051
Trade and other receivables		<u>7,895</u>
TOTAL CURRENT ASSETS		<u>74,946</u>
NON-CURRENT ASSETS		
Exploration and Evaluation Expenditure	4	<u>30,475</u>
TOTAL NON-CURRENT ASSETS		<u>30,475</u>
TOTAL ASSETS		<u>105,421</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		<u>25,193</u>
TOTAL CURRENT LIABILITIES		<u>25,193</u>
TOTAL LIABILITIES		<u>25,193</u>
NET ASSETS / (DEFICIT)		<u>80,228</u>
EQUITY		
Issued capital	5	150,097
Share based payments reserve	7	182,000
Accumulated losses		<u>(251,869)</u>
TOTAL EQUITY		<u>80,228</u>

The accompanying notes form part of these financial statements

BINDI METALS LIMITED
INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	For the period from 25 May 2021 – 31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees		(25,459)
Payments for exploration and evaluation		(27,112)
Net cash flows from/(used in) operating activities		<u>(52,571)</u>
Cash flows from investing activities		
Payments for exploration and evaluation		(30,475)
Net cash flows from/(used in) investing activities		<u>(30,475)</u>
Cash flows from financing activities		
Proceeds from issue of shares		150,027
Proceeds from issue of options		70
Net cash flows from financing activities		<u>150,097</u>
Net (decrease)/ increase in cash and cash equivalents		67,051
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		<u><u>67,051</u></u>

The accompanying notes form part of these financial statements

BINDI METALS LIMITED
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Issued Capital	Share based payments reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Incorporated on 25 May 2021	1	-	-	1
Loss for the period	-	-	(251,869)	(251,869)
Other comprehensive income	-	-	-	-
	<u>1</u>	<u>-</u>	<u>(251,869)</u>	<u>(251,868)</u>
Transactions with equity holders in their capacity as owners				
Issue of shares	150,026	-	-	150,026
Issue of options	70	182,000	-	182,070
Total transactions with equity holders in their capacity as owners	150,096	182,000	-	332,096
Balance at 31 December 2021	150,097	182,000	(251,869)	80,228

The accompanying notes form part of these financial statements

BINDI METALS LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

This condensed financial report of Bindi Metals Limited ("Company") was authorised for issue in accordance with a resolution of the directors on 31st March 2021. These financial statements are presented in Australian dollars.

Bindi Metals Limited is a public non-listed company, incorporated and domiciled in Australia.

The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) 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 \$251,869 and net cash outflows from operating activities of \$52,571.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month year from the date of signing this financial report.

Planning commenced for an initial public offering on the ASX in Q1 2022, with the proposed \$4.8m raise to fund acquisition and IPO Offer costs, exploration expenditure and for augmenting working capital.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying 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.

BINDI METALS LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

(c) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers – being the Board of Directors.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other".

3. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Company has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets; and
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During this period, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

4. Exploration and evaluation expenditure

	31-Dec-2021
	\$
Exploration and evaluation assets	
(a) Area of interest:	
Biloela Project (EPM 27478) – acquisition costs	30,475
	<u>30,475</u>
(b) Reconciliation:	
Carrying amount at the beginning of the period	-
Exploration and evaluation assets acquired	30,475 ¹
Additions	48,775
Less write-off of exploration and evaluation expenditure	<u>(48,775)</u>
	<u><u>30,475</u></u>

¹During the period the Company entered into a Heads of Agreement with Black Dragon Energy (Aus) Pty Ltd for the option to acquire EPM 27478 this comprised an option fee of \$20,000, an early payment of the consideration totalling \$10,250 and duties amounting to \$225.

BINDI METALS LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

5. ISSUED CAPITAL

	31-Dec-2021
	\$
Ordinary shares	
Issued and fully paid	<u>150,027</u>
	No.
Movement in ordinary shares on issue	
Issue of Incorporation Share	1
Issue of promoter shares	2,600,000
Issue of seed shares	<u>1,500,000</u>
At 31 December 2021	<u>4,100,001</u>
	31-Dec-2021
	\$
Unlisted Share Options	
Issued and fully paid	<u>70</u>
	No.
Movement in ordinary shares on issue	
Issue of promoter options to key management personnel	<u>7,000,000</u>
At 31 December 2021	<u>7,000,000</u>
	<u>\$150,097</u>
Total issued capital	

During the period the Company issued 7,000,000 Options with an exercise price of \$0.30 on or before 27 October 2024. Refer to Note 7 for further details.

6. DIRECTORS AND EXECUTIVE DISCLOSURES

Remuneration of Key Management Personnel

No remuneration was paid to key management personnel during the period other than a total of \$6,000 in geological consulting fees paid to Mr Henry Renou's consulting company and those detailed in Note 7.

7. SHARE BASED PAYMENTS

During the period, a total of 7,000,000 options exercisable at \$0.30 on or before 27 October 2024 were issued to key management personnel and advisors.

BINDI METALS LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

7. SHARE BASED PAYMENTS (CONTINUED)

The fair value at grant date is estimated using the Black-Scholes option pricing model. The fair value of options granted during the period was estimated on the date of grant using the following assumptions:

Stock price	A\$0.10
Exercise price	\$0.30
Expiry	27-Oct-24
Expected future volatility	80%
Risk free rate	0.84%
Grant date	27-Oct-21
Dividend yield	Nil
Number of Options	7,000,000
Value per Option	\$0.026
Total Value	\$182,000

Reconciliation of Number of options

	31-Dec-2021	31-Dec-2021
	No	\$
Options on issue at incorporation	-	-
Options issued to key management personnel	4,500,000	117,000
Options issued to advisors	2,500,000	65,000
At 31 December 2021	7,000,000	182,000

8. COMMITMENTS AND CONTINGENCIES

The Company had no commitments as at 31 December 2021.

During the period the Company entered into a Binding Heads of Agreement with Black Dragon Energy (Aus) Pty Ltd for an option to acquire the Biloela Project (EPM 27478) (**Acquisition Agreement**). On exercise of the option, the Company is required to issue to the Vendor (or its nominee/s) \$250,000 in shares of the Company at a deemed issue price equal to the Company's initial public offering at \$0.20 per share. As at the balance date a total of \$20,000 (ex GST) pursuant to the option fee and \$10,000 (ex GST) as consideration for an extension to the option period to 31 March 2022 has been paid. Subsequent to the period end, a further \$170,000 (ex GST) was paid by the Company to the Vendor in consideration for the extension of the option period to 30 June 2022 and pursuant to the letter of variation entered into between the Company and the Vendor. Refer to note 9 for further details.

9. EVENTS AFTER REPORTING DATE

In March 2022, the Company undertook a seed capital raising, issuing 2,000,000 shares at \$0.16 to raise a total of \$320,000 (before costs).

In March 2022, \$170,000 (ex GST) was paid by the Company to the Vendor in consideration for the extension of the option period under the Acquisition Agreement to 30 June 2022 and pursuant to the letter of variation entered into between the Company and the Vendor.

No other matters or circumstances have arisen since the end of the period 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.

**BINDI METALS LIMITED
DIRECTORS' DECLARATION**


In accordance with a resolution of the directors of Bindi Metals Limited, I state that:

1. In the opinion of the directors:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the period ended on that date.
 - (ii) complying with Australian Accounting Standards, International Financial Reporting Standards as issued by the International Accounting Standards Board and *Corporations Regulations 2001*.
- (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.

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*.

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



Ariel (Eddie) King
Non-Executive Chairman

Dated this 31st day of March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BINDI METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bindi Metals 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, 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 Company is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the period ended; and
 - (ii) complying with Australian Accounting Standards AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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 2 (b) in the financial report which indicates that the Company incurred a net loss of \$251,869 during the period ended 31 December 2021. As stated in Note 2 (b), these events or conditions, along with other matters as set forth in Note 2 (b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 31 December 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(a), 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 Company'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 Company'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 Company 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 Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company 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 WA AUDIT PTY LTD


CHRIS NICOLOFF CA
Director

Dated this 31st day of March 2022
Perth, Western Australia