



ABN: 52 650 470 947

**Financial Report
For the Period from Incorporation
25 May 2021 to 30 June 2022**

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CORPORATE DIRECTORY

Directors

Non-Executive Chairman

Mr Ariel (Eddie) King

Executive Director

Mr Henry Renou

Non-Executive Director

Mr Cameron McLean

Company Secretary

Miss Aida Tabakovic

Registered and Principal Office

Level 8, 216 St Georges Terrace
Perth Western Australia 6000

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Facsimile : +61 (8) 9463 6103

Website: www.bindimetals.com.au

Legal Advisors – Corporate

Edwards Mac Scovell

Level 1, 8 St Georges Terrace

Perth Western Australia 6000

Legal Advisors – Mining and Resources

Lawton Macmaster Legal

Level 9, 40 The Esplanade

Perth Western Australia 6000

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

Level 11, 172 St Georges Terrace

Perth Western Australia 6000

Stock Exchange

Australian Securities Exchange Ltd

ASX Code: BIM (listing date 28 June 2022)

The Directors present their report together with the financial statements of Bindi Metals Limited (referred to hereafter as "the Company") for the financial period since incorporation on 25 May 2021 to 30 June 2022.

Directors

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

Mr Ariel (Eddie) King **Non-Executive Chairman**

Mr King is a qualified Mining Engineer. Mr King holds a Bachelor of Commerce and Bachelor of Engineering from the University of Western Australia. Mr King's experience includes being a manager for an investment banking firm, where he specialised in the technical and financial analysis of bulk commodity and other resource projects for investment and acquisition. Eddie is also a director of CPS Capital Group, one of Australia's most active stockbroking and corporate advisory firms specialising in small to medium high growth companies.

Appointment date	25 May 2021 (transitioned from Non-Executive Director to Non-Executive Chairman on 14 February 2022)
Directorships of other ASX-listed companies in the last 3 years	Rubix Resources Ltd (since 30 June 2021) Ragnar Metals Ltd (since 10 February 2017) M3 Mining Ltd (since 16 November 2020) Eastern Resources Ltd (since July 2017) Queensland Pacific Metals Ltd (since 26 March 2018) Noble Helium Ltd (since 15 December 2021) European Cobalt Ltd (now renamed to Aston Minerals Ltd) (4 October 2016 – 1 April 2020) Six Sigma Metals Ltd (12 June 2018 – 15 April 2020)
Interest in securities	575,001 Ordinary Fully Paid Shares 2,000,000 Unlisted Options exercisable at \$0.30 on or before 27 October 2024

Mr Henry Renou **Executive Director**

Mr Renou is an experienced exploration geologist who has held a variety of appointments in Australian and overseas, at Fortescue Metals Group, Ibaera Capital Mining Fund, and Access Asia Mining Pty Ltd. He is currently an exploration geologist for both Nickelsearch Ltd and Silver City Minerals Ltd.

Mr Renou will be taking an executive role as Exploration Manager with the Company and so will not be classified as an independent director.

Appointment date	25 May 2021
Directorships of other ASX-listed companies in the last 3 years	Nil
Interest in securities	62,500 Ordinary Fully Paid Shares 500,000 Unlisted Options exercisable at \$0.30 on or before 27 October 2024

Mr Cameron McLean
Non-Executive Director

Mr McLean has a background in accounting and finance, with experience originating at Western Mining in Melbourne. He has more than 20 years' experience leading and managing a range of commercial activities, including co-directing the London business, iBase Ltd, in the geo-technology sector, and as the CFO of Snowdon Mining Industry Consultants, Kagara Limited, and Atrum Coal.

Mr McLean is the founder and director of the mining investment platform Mining Intelligence, through which he has facilitated over \$100m worth of mining transactions over the past five years.

Appointment date	25 May 2021
Directorships of other ASX-listed companies in the last 3 years	Great Northern Minerals (since 12 October 2018) Queensland Pacific Metals Ltd (30 November 2018 – 24 September 2021) DC Two Ltd (1 September 2020 – 31 August 2021)
Interest in securities	919,553 Ordinary Fully Paid Shares 2,000,000 Unlisted Options exercisable at \$0.30 on or before 27 October 2024

Mr Steven Formica
Non-Executive Director

Mr Formica has been a successful businessman and operations manager for over 35 years in several privately held business ventures across multiple industry sectors.

Appointment date	25 May 2021
Resignation date	14 February 2022
Directorships of other ASX-listed companies in the last 3 years	Ragnar Metals Ltd (since 2 September 2019) EcholQ Ltd (since 2 July 2018) Bowen Coking Coal Ltd (4 August 2015 – 31 October 2020)
Interest in securities*	675,000 Ordinary Full Paid Shares 2,000,000 Unlisted Options exercisable at \$0.30 on or before 27 October 2024

* Represents securities held as at the date of resignation

Company Secretary
Miss Aida Tabakovic

Miss Tabakovic has over 11 years' experience in the accounting profession. She holds a double degree in Accounting and Finance and a Postgraduate Degree in Business Law. Miss Tabakovic provides services to a number of ASX-listed companies, specialising in financial accounting and reporting and corporate compliance. Miss Tabakovic has also been involved in listing a number of junior exploration companies on the ASX.

Principal Activity

The principal activity of the Company during the financial year was the acquisition and development of mineral exploration assets.

Operating Result for the Period

The operating result of the Company for the reporting period was a loss of \$805,608.

Significant Changes in State of Affairs

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

Review of Operations

The Company was incorporated in May 2021 for the purpose of acquiring and exploring the Biloela Project, which is prospective for gold and copper.

The Biloela Project is a major gold and copper mining area, with the project located in the centre of multimillion-ounce belts of New England Orogen. The Project is located 93km southwest of the Port of Gladstone in Central Queensland.

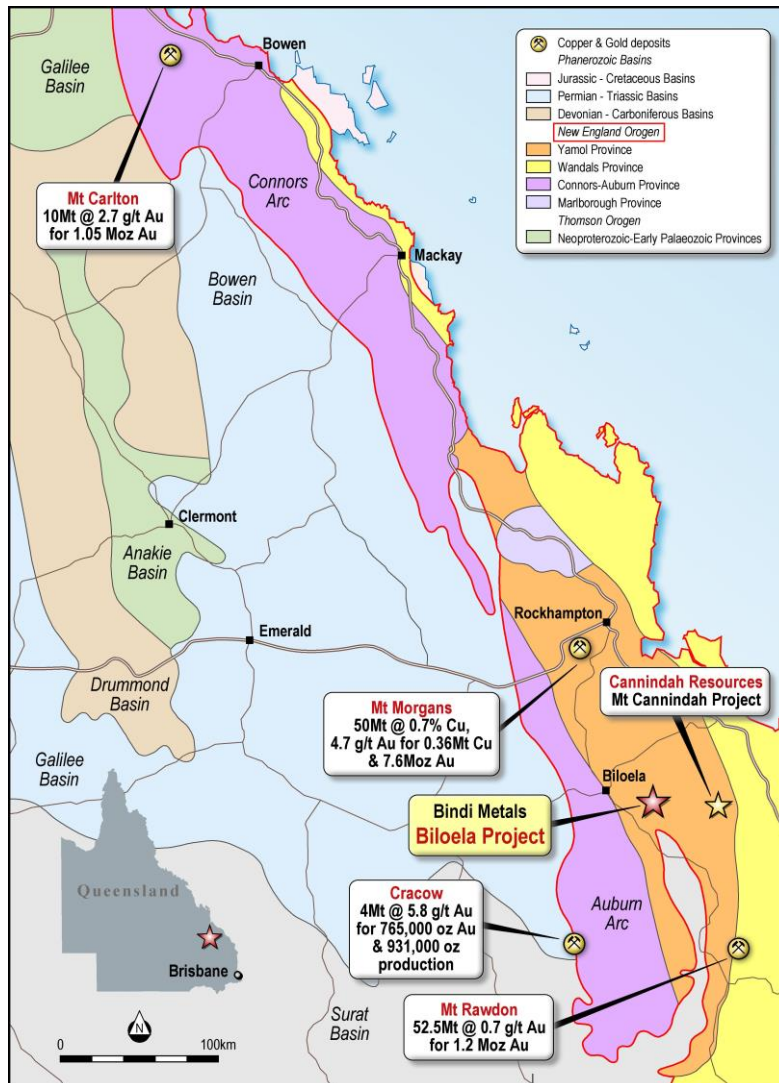


Figure 1: Biloela Project Location

Subsequent to year end, the Company announced that it completed a drone-based aeromagnetic survey covering a large area of 6km by 5km at close 40m spacing across the main prospects at the Biloela Project. The drone magnetics confirmed a strong circular magnetic feature similar to well-known intrusive systems such as the Bajo de la Alumbrera Prophyry Cu-Au deposit in Argentina. The Company also announced its plan to perform a 3,000m drill program in Q3/Q4 to test the recently defined high priority target and assess the assay results of recent mapping program across the Project.

Corporate

During the period, the Company successfully completed an Initial Public Offering ('IPO') to raise \$4,800,000 (before costs) through the issue of 24,000,000 shares at an issue price of \$0.20 per share. Following the completion of the IPO, Bindi was admitted to the official list of the Australian Stock Exchange ('ASX') on 28 June 2022.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for the Directors of Bindi Metals Limited in accordance with the requirements of the Corporation Act 2001 and its Regulations. For the purpose of this report, Key Management Personnel ('KMP') of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Details of Key Management Personnel

Mr Ariel (Eddie) King	Non-Executive Chairman
Mr Henry Renou	Executive Director
Mr Cameron McLean	Non-Executive Director
Mr Steven Formica	Non-Executive Director – <i>Resigned 14 February 2022</i>

Remuneration Policy

The Board, in capacity as a Remuneration Committee, is responsible for determining and reviewing remuneration compensation arrangements for the executive and non-executive Directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions and individual's experience and qualifications with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not directly link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of the remuneration policy is to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter.

The rewards for Directors have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Remuneration Committee determines appropriate levels of performance rewards as and when they consider rewards are warranted.

Executive Director's fees

Mr Renou has entered into a consultancy agreement with the Company pursuant to which he is engaged as Executive Director and entitled to receive \$24,000 per annum (plus GST). In addition, Mr Renou will be paid \$800 (plus GST) per day for additional hours required to be performed.

Non-Executive Directors' fees

Mr McLean and Mr King are entitled to receive \$48,000 per annum (excluding statutory superannuation). In addition, Mr McLean and Mr King will be paid \$1,000 per day for additional services required to be performed to the role of Non-Executive Director.

The Company's Constitution provides that the maximum annual aggregate amount of Directors' fees shall be \$350,000 (excluding executive directors' salaries), unless the amount is varied by ordinary resolution.

Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependant on the satisfaction of performance conditions.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

DIRECTORS' REPORT

Details of the nature and amount of each element of the emolument of each Director of the Company for the financial year are as follows:

2022		Short-term benefits			
Director	Directors' Fees	Consulting Fees	Share-based Payments – Options ⁽ⁱⁱⁱ⁾	Post-employment benefits	Total
Mr Ariel (Eddie) King	-	-	\$52,000	-	\$52,000
Mr Henry Renou	-	\$43,000 ⁽ⁱ⁾	\$13,000	-	\$56,000
Mr Cameron McLean	-	-	\$52,000	-	\$52,000
Mr Steven Formica ⁽ⁱⁱ⁾	-	-	\$52,000	-	\$52,000
Total	-	\$43,000	\$169,000	-	\$212,000

(i) Consulting fees paid to HRG Consulting Pty Ltd, of which Mr Renou is a director, for geological services rendered during the period.

(ii) Mr Formica resigned as Non-Executive Director on 14 February 2022.

(iii) Options issued to KMP were in conjunction with capital raising performed by the Company prior to listing on the ASX. The value of options represents the fair value as at grant date.

There were no cash bonuses, non-monetary bonuses, post-employment benefits, long term benefits and superannuation payments made during the year to KMPs.

Interests in the Shares and Options of the Company

As at 30 June 2022, the interests of the Directors in the securities of Bindi Metals Limited were:

Director's Interests held in Bindi Metals Limited - Shares

Directors	Balance 25 May 2021 No.	Received as Compensation No.	Net change Other No.	Balance 30 June 2022 No.
Ariel (Eddie) King	1	-	575,000	575,001
Henry Renou	-	-	62,500	62,500
Cameron McLean	-	-	812,500	812,500
Steven Formica ¹	-	-	675,000	675,000
Total	1	-	2,125,000	2,125,001

1. Mr Formica resigned as a Non-Executive Director on 14 February 2022. The balance at 30 June 2022 disclosed above represents his holding on the date of resignation.

Director's Interests held in Bindi Metals Limited - Options

Directors	Balance 25 May 2021 No.	Received as Compensation No.	Net change Other No.	Options Exercised No.	Balance 30 June 2022 No.
Ariel (Eddie) King	-	-	2,000,000	-	2,000,000
Henry Renou	-	-	500,000	-	500,000
Cameron McLean	-	-	2,000,000	-	2,000,000
Steven Formica ¹	-	-	2,000,000	-	2,000,000
Total	-	-	6,500,000	-	6,500,000

1. Mr Formica resigned as a Non-Executive Director on 14 February 2022. The balance at 30 June 2022 disclosed above represents his holding on the date of resignation.

End of Remuneration Report (Audited)

Directors' Meetings

The number of directors' meetings and the number of meetings attended by each of the directors of the Company for the time the director held office during the financial period are as follows:

Director	No. eligible to attend	No. attended
Ariel (Eddie) King	-	-
Henry Renou	-	-
Cameron McLean	-	-
Steven Formica ⁽ⁱ⁾	-	-

(i) Mr Formica resigned as a Non-Executive Director on 14 February 2022. The balance at 30 June 2022 disclosed above represents his holding on the date of resignation.

Indemnification of Officers

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on Behalf of the 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 or any part of those proceedings.

Share Options

At the date of this report, Bindi Metals Limited has a total of 10,500,000 unlisted options on issue exercisable at \$0.30 on or before 27 October 2024.

Dividends

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.

Environmental Regulation

The Directors are mindful of the regulatory regime in relation to the impact of the organisation's activities on the environment. There have been no known breaches of any environmental regulation by the Company during the financial period.

Future Developments

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

Significant Events after Reporting date

The Company has no matters or circumstances that have arisen since the end of the financial 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.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support, and adhere to, good corporate governance practices. Refer to the Company's Corporate Governance Statement at: <https://www.bindimetals.com.au/corporate-governance>

Non-Audit Services

During this financial period, fees paid to Hall Chadwick WA Audit Pty Ltd for non-audit services comprised of \$12,650 for the preparation of an Independent Limited Assurance Report for inclusion in the Company's Prospectus.

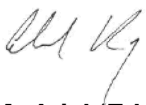
The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's 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 audit 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:

A handwritten signature in black ink, appearing to read 'Ariel King'.

Mr Ariel (Eddie) King
Non-Executive Chairman

Dated this 29th day of September 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 financial period ended 30 June 2022, 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



D M BELL CA
Director

Dated this 29th day of September 2022
Perth, Western Australia

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022**

	Notes	25 May 2021 to 30 June 2022
		\$
Revenue		-
Administration Expense		(196,531)
Exploration, Evaluation and Development Expenditure		(252,762)
Insurance Expenses		(8,983)
Consultancy Fees		(30,250)
Professional Services		(135,082)
Share Based Payments		<u>(182,000)</u>
Loss before income tax		(805,608)
Income tax expense	4	<u>-</u>
Net loss for the period		(805,608)
Other comprehensive income		<u>-</u>
Total comprehensive loss for the period		<u><u>(805,608)</u></u>
Loss per share		
Basic and diluted (cents per share)	5	(0.20)

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	30 June 2022 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6	4,743,742
Trade and other receivables	7	80,330
TOTAL CURRENT ASSETS		<u>4,824,072</u>
NON CURRENT ASSETS		
Exploration and evaluation assets	8	465,157
TOTAL NON CURRENT ASSETS		<u>465,157</u>
TOTAL ASSETS		<u>5,289,229</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9	687,590
TOTAL CURRENT LIABILITIES		<u>687,590</u>
TOTAL LIABILITIES		<u>687,590</u>
NET ASSETS		<u>4,601,639</u>
EQUITY		
Issued capital	10	4,965,547
Share based payments reserve	11	441,700
Accumulated losses		(805,608)
TOTAL EQUITY		<u>4,601,639</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022**

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 25 May 2021	1	-	-	1
Loss for the period	-	-	(805,608)	(805,608)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(805,608)	(805,608)
Transactions with equity holders in their capacity as owners				
Issue of shares (net of costs)	4,715,126	-	-	4,715,126
Acquisition	250,000	-	-	250,000
Options Issued	420	441,700	-	442,120
Total transactions with equity holders in their capacity as owners	4,965,546	441,700	-	5,407,246
Balance at 30 June 2022	4,965,547	441,700	(805,608)	4,601,639

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022**

	Notes	25 May 2021 to 30 June 2022 \$
Cash flows from operating activities		
Payments to suppliers and employees		(193,980)
Payments for exploration and evaluation		(117,567)
Net cash flows used in operating activities	17	<u>(311,548)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure		(215,157)
Net cash flows used in investing activities		<u>(215,157)</u>
Cash flows from financing activities		
Proceeds from issue of shares in the Company (net of costs)		5,270,027
Proceeds from issue of options		420
Net cash flows from financing activities		<u>5,270,447</u>
Net increase in cash and cash equivalents		4,743,742
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	6	<u>4,743,742</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

1. CORPORATE INFORMATION

This financial report of Bindi Metals Limited ("Company") was authorised for issue in accordance with a resolution of the directors on 29 September 2022.

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

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.

(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 \$805,608 and net cash outflows from operating activities of \$311,548.

During the period, the Company successfully completed its Initial Public Offer ('IPO') and issued 24,000,000 fully paid ordinary shares at \$0.20 per share, raising \$4,800,000 (before costs).

Based on the cash flow forecasts prepared and other factors referred to above the directors are satisfied the Company can continue to pay its debts as and when they fall due for at least the next twelve months.

(c) New and Amended Accounting Policies Adopted by the Company

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.

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

(d) 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".

(e) Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(g) Trade and Other Payables

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

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Revenue Recognition

The Company recognises revenue as follows:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(k) Income Tax

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 nor taxable profit or loss; and
- In respect of deductible temporary differences associated 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

The carrying amount of deferred income tax assets is reviewed at each reporting 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.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial period 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 reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority.

(I) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(m) Impairment of Assets

At the end of each reporting period, the directors 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Accounting Standard.

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard. 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, intangible assets with indefinite lives and intangible assets not yet available for use.

(n) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(o) Employee Benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(p) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. In the opinion of the directors, there are no critical accounting estimates or judgments in this financial report. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation asset. A review of impairment indicators is carried out on a regular basis. There is significant estimation and judgement in assessing impairment indicators.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the planned operations and carrying values of assets and liabilities.

Carrying Value of Exploration and Evaluation Assets

The Company assessed the carrying value of its exploration expenditure for indicators of impairment and concluded that impairment testing of the project was not required.

Income tax

The Company is subject to income taxes in the jurisdiction in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 11 for further information.

Environmental laws and regulations

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred.

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.

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. The Board considers that it has only operated in one segment, being mineral exploration in Australia.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

4. INCOME TAX EXPENSE

	25 May 2021 to 30 June 2022 \$
(a) Major component of tax expense for the period:	
Current tax	-
Deferred tax	-
Income tax as reported in the statement of comprehensive income	-
(b) Reconciliation of income tax expense to prima facie tax payable:	
Loss from continuing operations before income tax expense	(805,608)
Tax at income tax rate of 25%	(201,402)
Increase / (decrease) in income tax due to:	
- Non-deductible expenses	62,385
- Changes in unrecognised temporary differences	(7,695)
- Unused tax losses not recognised	146,711
Income tax attributable to operating loss	-
(c) Unrecognised deferred tax balances at 25%	
<i>Deferred tax assets</i>	
Carry forward revenue losses	146,711
Accruals	2,810
Capital raising costs	75,633
	225,155
<i>Deferred tax liabilities</i>	
Exploration expenditure	7,646
Prepayments	4,692
	12,338

The amount of tax losses carried forward as at 30 June 2022 amount to \$805,608.

The benefits for deferred tax assets will only be obtained if:

- The Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the expenditure to be realised;
- The Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

5. LOSS PER SHARE

	30 June 2022
	\$
Basic and diluted loss per share (cents) ⁽ⁱ⁾	(0.20)
Loss for the period used in calculating basic and diluted loss per share	(805,608)
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	3,972,467

(i) The basic and diluted loss per share has been calculated based on a 12-month period being 1 July 2021 to 30 June 2022.

6. CASH AND CASH EQUIVALENTS

	30 June 2022
	\$
Cash at bank and on hand	4,743,742

Cash at bank and in hand earns interest at floating rates based on daily at call bank deposit and savings rates.

7. TRADE AND OTHER RECEIVABLES

	30 June 2022
	\$
GST Receivable	57,563
Tenements – Bond	2,500
Tenements – Security Deposit	1,500
Prepaid Insurance	18,767
	80,330

8. EXPLORATION AND EVALUATION ASSETS

	30 June 2022
	\$
Project acquisition ⁽ⁱ⁾	465,157
Carrying amount at balance date	465,157

(i) The Company entered into an agreement with Black Dragon Energy (AUS) Pty Ltd for the option to acquire EPM 27478 this comprised an option fee of \$20,500, an early payment of the consideration totalling \$10,250, an option extension fee of \$170,000, transfer of Mining Interest fees of \$13,950 and the issue of 1,250,000 shares as consideration for the acquisition at the price of \$0.20 equal to \$250,000 and duties amounting to \$457.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, and other associated activities used in exploration and evaluation activities. Exploration incurred is accumulated in relation to each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The company conducts impairment testing when indicators of impairment are present at the reporting date. No such indicators are present at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

9. TRADE AND OTHER PAYABLES

	30 June 2022
	\$
Trade and other payables	522,133
Accruals	165,457
	687,590

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 day terms.

10. ISSUED CAPITAL

	30 June 2022
	\$
Ordinary shares	
Issued and fully paid	4,965,547

Movement in ordinary shares on issue	No.	\$
On incorporation 25 May 2021	1	1
Issue of Promoter shares on 27 October 2021	2,600,000	96
Issue of tranche 1 seed shares on 15 November 2021	1,500,000	150,000
Issue of tranche 2 seed shares on 29 March 2022	2,000,000	320,000
Issue of Initial Public Offer on 20 June 2022	24,000,000	4,800,000
Issue of vendor shares on 20 June 2022	1,250,000	250,350
Transaction costs	-	(554,900)
At 30 June 2022	31,350,001	4,965,547

Share Options

At 30 June 2022, Bindi Metals Limited had 10,500,000 unlisted options on issue exercisable at \$0.30 on or before 27 October 2024.

11. SHARE BASED PAYMENTS RESERVE

	30 June 2022
	\$
Share Based Payments Reserve	
Issue of options to Directors and Advisors ⁽ⁱ⁾	182,000
Issue of options to Lead Manager ⁽ⁱⁱ⁾	259,700
	441,700

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

11. SHARE BASED PAYMENTS RESERVE (continued)

- (i) The Company issued 7,000,000 unlisted options exercisable at \$0.30 on or before 27 October 2024 to Directors and Advisors prior to listing on the ASX. The options were valued using the Black-Scholes option pricing model with the following inputs:

Expected volatility (%)	80%
Risk-free interest rate (%)	0.84%
Weighted average expected life of options (years)	3.0
Expected dividends	Nil
Exercise price (\$)	\$0.30
Grant date	27 October 2021
Share price at grant date (\$)	\$0.10
Fair value per option (\$)	\$0.026

- (ii) The Company issued 3,500,000 unlisted options exercisable at \$0.30 on or before 27 October 2024 to the Lead Manager as disclosed in the Prospectus lodged as part of the IPO. The options were valued using the Black-Scholes option pricing model with the following inputs:

Expected volatility (%)	80%
Risk-free interest rate (%)	3.30%
Weighted average expected life of options (years)	2.33
Expected dividends	Nil
Exercise price (\$)	\$0.30
Grant date	28 June 2022
Share price at grant date (\$)	\$0.20
Fair value per option (\$)	\$0.0742

12. SHARE BASED PAYMENTS

The following share based payments occurred during the period ended 30 June 2022:

- (i) On 27 October 2021, the Company issued a total of 7,000,000 unlisted options exercisable at \$0.30 on or before 27 October 2024 to the Directors and Advisors. The options vested immediately. Refer to Note 11(i) for information on the valuation of options.
- (ii) On 20 June 2022, the Company issued 1,250,000 shares at deemed share price of \$0.20 per share for a fair value of \$250,000 to the vendors as part consideration for the acquisition of the Biloela Project and pursuant to the Initial Public Offering Prospectus.
- (iii) On 28 June 2022, the Company issued 3,500,000 Lead Manager unlisted options to the Lead Manager (or its nominee/s) as part consideration for lead managing the Initial Public Offering. The options are exercisable at \$0.30 on or before 27 October 2024 and vested immediately. Refer to Note 11(ii) for information on the valuation of options.

13. RELATED PARTY DISCLOSURES

The total of remuneration paid or due to be paid to the KMP of the Company during the year are as follows:

	30 June 2022
	\$
Short-term key management personnel benefits ⁽ⁱ⁾	43,000
Post-employment benefits	-
Share based payments (<i>refer to other transactions with KMP section below</i>)	169,000
Total remuneration paid	212,000

- (i) Consulting fees paid to HRG Consulting Pty Ltd, of which Mr Renou is a director, for geological services rendered by during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

13. RELATED PARTY DISCLOSURES (continued)

Other transactions with key management personnel

During the period 4,500,000 unlisted options exercisable at \$0.30 on or before 27 October 2024 were issued to the current Directors as part of a capital raising performed by the Company prior to listing on the ASX. The value of options represents the fair value as at grant date. Refer to Note 11(i) for information on the valuation of the options.

No Directors' fees were paid or due to be paid during the period as these only came into effect subsequent to year end and effective from 1 July 2022. No loans have been made to any KMP or any of their related parties during the 2022 financial year.

There were no further transactions with KMPs including their related parties other than those disclosed above.

14. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Company's principal financial instruments comprise receivables, payables and cash which arise directly from its operations.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

The main risks arising from the Company's financial instruments are market risk, liquidity risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Risk Exposures and Responses

Market Risk

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company generates income from interest on surplus funds. At reporting date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	30 June 2022 \$
Financial assets	
Cash and cash equivalents	4,743,742
Trade and other receivables	61,563
Net exposure	4,805,305
Financial liabilities	
Trade and other payables	687,590
Net exposure	687,590

Interest rate sensitivity analysis

The Company has no material interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

14. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's potential concentration of credit risk consists mainly of cash deposits with banks. The Company's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the reporting date. The Company considers the credit standing of counterparties when making deposits to manage the credit risk.

Liquidity risk

The responsibility with liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

Fair values

Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

15. COMMITMENTS

The Company's minimum expenditure commitments in relation to its tenements are as follows:

	30 June 2022 \$
Within 1 year	31,000
Between 2 and 5 years	84,177
More than 5 years	-
Total	<u>115,177</u>

16. EVENTS AFTER REPORTING DATE

The Company has no matters or circumstances that have arisen since the end of the financial 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.

17. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors there were no contingent assets or liabilities as at 30 June 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

18. CASHFLOW INFORMATION

**30 June
2022**

\$

Reconciliation from the net loss after tax to the net cash flows from operations

Net profit/(loss) for the period (805,608)

Non-cash

Share based payment expense 182,000

Changes in assets and liabilities:

Trade and other receivables (80,330)

Trade and other payables 687,590

Share issue costs (295,200)

Net cash from operating activities **(311,548)**

**DIRECTORS' DECLARATION
FOR THE PERIOD ENDED 30 JUNE 2022**

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 30 June 2022 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 29th day of September 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 30 June 2022, 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 30 June 2022 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 2(a).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Capitalised Exploration Costs – Note 8</p> <p>At balance date, the Company's capitalised exploration costs are carried at \$465,157.</p> <p>The recognition and recoverability of the capitalised exploration costs was considered a key audit matter due to:</p> <ul style="list-style-type: none"> • The carrying value of capitalised exploration costs represents a significant asset of the Company, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount; and • Determining whether impairment indicators exist involves significant judgement by management. 	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 Exploration and Evaluation of Mineral Resources ("AASB 6"); • Assessing the Company's rights to tenure for a sample of permits and licenses; • Testing the Company's additions to capitalised exploration costs for the period by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Company's accounting policy and the requirements of AASB 6; • By testing the status of the Company's tenure and planned future activities, reading board minutes and discussions with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: <ul style="list-style-type: none"> ○ The licenses for the rights to explore expiring in the near future or are not expected to be renewed; ○ Substantive expenditure for further exploration in the area of interest is not budgeted or planned; ○ Decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale; and • Assessing the appropriateness of the related disclosures in the financial statements.

Key audit matter	How our audit addressed the key audit matter
Share-Based Payments – Note 11 <p>As disclosed in the notes to the financial statements, during the period ended 30 June 2022 the Company incurred share-based payments in respect to the issue of options to the value of \$182,000 and options to the Lead Manager in relation to the Initial Public Offering of \$259,700.</p> <p>Share based payments are considered to be a key audit matter due to</p> <ul style="list-style-type: none"> the value of the transactions; the complexities involved in the recognition and measurement of these instruments; and the judgement involved in determining the inputs used in the valuations. 	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> Analysing agreements to identify the key terms and conditions of share-based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; Evaluating valuation models and assessing the assumptions and inputs used; Assessing the amount recognised during the period in accordance with the vesting conditions of the agreements; <p>Assessing the adequacy of the disclosures included in Note 11 to the financial statements.</p>

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 30 June 2022 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 responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the period ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.


HALL CHADWICK WA AUDIT PTY LTD


D M BELL CA
Director

Dated this 29th day of September 2022
Perth, Western Australia

ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 27 September 2022.

(a) Distribution of Shareholders

Range	Number of Holders	Number of Shares
1 - 1,000	5	1,382
1,001 - 5,000	7	22,765
5,001 - 10,000	48	470,412
10,001 - 100,000	226	10,899,274
100,001 and over	61	19,956,168
Total	347	31,350,001

The number of shareholders holding less than a marketable parcel is 5.

Top 20 Shareholders

	Holder Name	Securities	%
1	Stevsand Holdings Pty Ltd <Formica Horticultural A/C>	1,390,292	4.43
2	Mackerel Metals Pty Ltd	1,250,000	3.99
3	Shah Nominees Pty Ltd	1,109,699	3.54
4	Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	1,000,000	3.19
5	Formica Investments Pty Ltd	960,000	3.06
6	Cale Retirement Pty Ltd <Cale Retirement A/C>	919,553	2.93
7	Ton-Cheng Pty Ltd <Ton-Cheng Unit A/C>	800,000	2.55
8	Maverick Exploration Pty Ltd	712,500	2.27
9	La Paz Resources Pty Ltd <Two Eight Feb 20 Family A/C>	575,000	1.83
10	Mikado Corporation Pty Ltd <JFC Superannuation A/C>	500,000	1.59
10	Xeryus International Pty Ltd	500,000	1.59
12	Shriver Nominees Pty Ltd	477,500	1.52
13	Narradong Pty Ltd	450,000	1.44
14	Awaba Funds Management Pty Ltd <M Toniolo Super Fund A/C>	400,000	1.28
14	Mr Brian Joseph Glynn	400,000	1.28
14	Skaha Investments Pty Ltd <Laws Family A/C>	400,000	1.28
17	Obsidian Global Partners LLC	393,000	1.25
18	Jalaver Pty Ltd <Falcon Pension A/C>	375,000	1.20
19	Laura Bailey	300,000	0.96
19	Mr Antanas Guoga	300,000	0.96
19	Hardmail Pty Ltd	300,000	0.96
19	TYF Holdings Pty Ltd <TYF Investments A/C>	300,000	0.96
	Total	13,812,544	44.06

ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES

(b) Substantial Shareholders (Holding not less than 5%)

	Holder name	Securities	%
1	Mr Steven Formica & Associated Entities	2,662,792	8.5

(c) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) Restricted Securities

The Company has the following restricted securities on issue as at the date of this report.

- 300,000 fully paid ordinary shares – escrowed to 15 November 2022
- 1,250,000 fully paid ordinary shares – escrowed to 20 June 2023
- 3,322,500 fully paid ordinary shares – escrowed to 28 June 2024
- 10,500,000 unlisted options – escrowed to 28 June 2024

(e) Unquoted Securities

The Company has the following unquoted securities on issue as at the date of this report.

- 10,500,000 options exercisable at \$0.30 on or before 27 October 2024

(f) Use of Funds

Between the date of official listing on the ASX and the date of this report, the Company has used the cash to further develop and explore its Biloela Project, Queensland in a way consistent with its business objectives and as set out in the prospectus dated 5 April 2022.

SCHEDULE OF TENEMENT

Project	Tenement Number	Location of Tenement	Status	Beneficial Interest
Biloela	EPM27428	Queensland	Granted	100%