



BUBALUS RESOURCES LIMITED

ACN 654 970 751

Incorporated 1 November 2021

ANNUAL REPORT

30 JUNE 2022



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CORPORATE DIRECTORY

DIRECTORS

Mr Alec Pismiris	Executive Chairman
Mr William Oliver	Non-Executive Director
Mr Scott Deakin	Non-Executive Director

COMPANY SECRETARY

Mrs Melanie Ross

REGISTERED OFFICE & CONTACTS

Level 2
22 Mount Street
PERTH WA 6000

Ph: +61 8 6188 8181
Web: www.bubalusresources.com.au

Securities Exchange Listing - ASX Code: BUS

ABN: 17 654 970 751

SOLICITORS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

AUDITORS

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
PERTH WA 6000

SHARE REGISTRY

Automic Group
Level 2, 267 St Georges Terrace
PERTH WA 6000
Ph: 1300 288 664
Web: www.automicgroup.com.au

SECURITIES EXCHANGE LISTING

Australian Securities Exchange (ASX)

BANKERS

Westpac Banking Corporation
Level 13, 109 St Georges Tce
PERTH WA 6000



DIRECTORS' REPORT

The directors present their report, together with the financial statements, on Bubalus Resources Limited (referred to hereafter as the 'Company') for the period since incorporation on 1 November 2021 to 30 June 2022. The Company is a public unlisted company as at 30 June 2022, but has lodged a listing application with the Australian Securities Exchange ("ASX").

Directors

The names of directors in office at any time during or since the end of the period are listed below. Directors have been in office since incorporation to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION
Mr Alec Pismiris	Executive Chairman (appointed 1 November 2021)
Mr William Oliver	Non-Executive Director (appointed 1 November 2021)
Mr Scott Deakin	Non-Executive Director (appointed 1 November 2021)

Principal Activities

During the period, the Company's principal activities have been:

- review of mining projects for acquisition within Australia and overseas to facilitate an Initial Public Offering and subsequent admission to the Official List of the ASX;
- pre-listing activities including engagement of consultants for an Initial Public Offering ("IPO"); and
- completion of a seed capital raising and pre-IPO financing offer.

Dividends

No dividends were paid or declared during the financial period. No dividend has been recommended.

Review of Operations

The loss for the Company after providing for income tax was \$119,948.

On incorporation, on 1 November 2021, the Company completed a seed capital raising of \$89,235 by issuing 4,461,750 fully paid ordinary shares at an issue price of \$0.02 per share with a one for one attaching option exercisable at \$0.40 with an expiry date 4 years from the date of admission to the Official List of ASX to the founding shareholders. The proceeds of seed capital raising were applied to the costs of formation and general working capital.

On 1 March 2022, the Company completed pre-IPO financing offer to clients of Inyati Capital Pty Ltd. The Company successfully raised \$320,000 by issuing 3,200,000 fully paid ordinary shares at an issue price of \$0.10 per share with a one for two attaching option exercisable at \$0.40 with an expiry date 4 years from the date of admission to the Official List of ASX to Sophisticated Investors under section 708(8) of the Corporations Act 2001 and Professional Investors under section 708(11) of the Corporations Act 2001. The proceeds of pre-IPO capital raising were to be applied to the costs associated with the acquisition of Tomorrow and Jarrah Nia, pre-listing activities and general working capital.

On 17 March 2022, the Company entered into a conditional binding agreement to acquire all the issued capital of Tomorrow Minerals Pty Ltd ("Tomorrow"). Tomorrow is the beneficial owner of seven exploration licences covering an area of 5,427 km² comprising the Amadeus Project. The licences are located 120 kms south of Alice Springs, along the Stuart Highway and are prospective for manganese, iron ore, bauxite and phosphate.

The acquisition of Tomorrow is subject to Bubalus obtaining all regulatory approvals and being admitted to the Official List of ASX. The consideration payable to the shareholders of Tomorrow will comprise of the issue of 500,000 ordinary fully paid shares at an issue price of \$0.20 and a 2% NSR and the reimbursement of previously incurred expenses in relation to the tenements, through payment of such amounts to the vendor and the assignment of shareholder loans.

On 18 March 2022, the Company entered into a conditional binding agreement to acquire all the issued capital of Jarrah Nia Exploration Pty Ltd ("Jarrah Nia"). Jarrah Nia is the beneficial owner of the following four licenses:



DIRECTORS' REPORT

- two exploration licences (one granted and one under application) covering an area of 1,153 km² comprising the Coomarie Dome Project. The licences are located 260 kms south-east of Halls Creek and are prospective for Heavy Rare Earths, in particular minerals dysprosium, terbium and lutetium;
- one exploration licence (granted) covering an area of 375 km² comprising the Nolans East Project. The licence is located 50 kms north of Alice Springs and is prospective for Light Rare Earths, in particular minerals neodymium and praseodymium; and
- one exploration licence (under application) covering an area of 3.2 km² comprising the Pargee Project. The licence is located 50 kms west of the Nolans East Project in Western Australia and is prospective for Heavy Rare Earths, in particular minerals dysprosium, terbium and lutetium.

The acquisition of Jarrah Nia is subject to Bubalus obtaining all regulatory approvals and being admitted to the Official List of ASX. The consideration payable to the shareholders of Tomorrow will comprise of the issue of 500,000 ordinary fully paid shares at an issue price of \$0.20 and a 2% NSR and the reimbursement of previously incurred expenses in relation to the tenements, through payment of such amounts to the vendor and the assignment of shareholder loans.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial period, other than the matters described above.

Matters Subsequent to the End of the Financial Period

There have been no other matters or circumstances that have arisen since 30 June 2022 to the date of this report that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

Comments on the expected results of operations of the Company are included in this report under the Review of Operations.

Disclosure of other information regarding likely developments in the operations of the Company in the future financial years were outlined in the Prospectus to be issued on or around 24 August 2022 and updated in the Review of Operations. Disclosure of the expected results of these operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental Regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Alec Pismiris **B.Comm, MAICD, FGIA, FCIS**
Executive Chairman

Mr Pismiris has over 30 years of experience in the securities, finance and mining industries. Since 1990, Mr Pismiris has served as a director and/or company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a fellow of The Governance Institute of Australia. Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Appointed:	1 November 2021
Other listed board memberships:	Agrimin Limited, Sunshine Gold Limited, The Market Herald Limited, Paxton Gold Inc (TSX-V)
Previous listed board memberships in the last 3 years:	Frontier Resources Limited, Javelin Minerals Limited (formerly Victory Mines Limited).
Interest in shares at the date of this report:	211,750
Interest in options at the date of this report:	136,750



DIRECTORS' REPORT

William Oliver **BSc. (Hons), GDipAppFin, MAIG, MAusIMM**

Non-Executive Director

Mr Oliver is a geologist with over 20 years of experience in the international resources industry working for both major and junior companies. Mr Oliver has an enviable track record in project evaluation and has been involved with a number of transactions involving assets across a range of commodities. His geological experience ranges across all aspects of exploration, the design, evaluation and implementation of resource definition programmes as well as resource modelling and inputs into all levels of mining and feasibility studies. In addition, Mr Oliver has served as director of a number of ASX listed companies and is familiar with the requirements of the ASX Listing Rules and the JORC Code. He is a member of the Australasian Institute of Mining and Metallurgists and the Australian Institute of Geoscientists and holds an honours degree in Geology from the University of Western Australia as well as a post-graduate diploma in finance and investment from FINSIA.

Appointed:	1 November 2021
Other listed board memberships:	Nil
Previous listed board memberships in the last 3 years:	Aldoro Resources Limited, Celsius Resources Limited, Koppa Resources Limited, Signature Resources Limited and Vandadium Resources.
Interest in shares at the date of this report:	50,000
Interest in options at the date of this report:	25,000

Scott Deakin **B.Comm, GAICD, Grad Dip MinExplGeoSc**

Non-Executive Director

Mr Deakin has over 12 years' experience working in the exploration and resources sector. He is a director and general manager of Mining People International, specialising in technical and executive mining consulting across the breadth of industry, spanning junior explorers to international producers. His focus of responsibility includes business development, executive recruitment, commercial and business management, affording him an extensive network within the resources industry. Mr Deakin holds a commerce degree from Curtin University, a Graduate Diploma in Mineral Exploration and Geoscience from Curtin University's West Australian School of Mines and is currently undertaking the Australian Institute of Company Directors program.

Appointed:	1 November 2021
Other listed board memberships:	Nil
Previous listed board memberships in the last 3 years:	Nil in the last three years
Interest in shares at the date of this report:	150,000
Interest in options at the date of this report:	75,000

Company Secretary

Alec Pismiris **B.Comm, MAICD, FGIA, FCIS**

Company Secretary – appointed on incorporation, 1 November 2021, and resigned 13 July 2022

Mr Pismiris has over 30 years of experience in the securities, finance and mining industries. Since 1990, Mr Pismiris has served as a director and/or company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a fellow of The Governance Institute of Australia. Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Melanie Ross **CA, B.Comm**

Company Secretary – appointed 13 July 2022

Mrs Ross is an accounting and corporate governance professional with over 18 years' experience in financial accounting and analysis, audit, business and corporate advisory services in public practice, commerce and state government. Ms Ross is currently a director of a corporate advisory company based in Perth that provides corporate and other advisory services to public listed companies.



DIRECTORS' REPORT

Meetings of Directors

The Company does not have a formally constituted audit committee or remuneration committee as the board considers that the Company's size and type of operation do not warrant such committees.

Director	Directors' Meeting	
	Eligible	Attended
Alec Pismiris	2	2
William Oliver	2	2
Scott Deakin	2	2

There were 2 Directors meetings held during the financial period, however many board matters were dealt with via circular resolutions.

Shares and Options

The Company has 7,661,750 fully paid ordinary shares on issue as at 30 June 2022, and the date of this report.

Options on issue at 30 June 2022, and as at the date of this report:

Grant date	Expiry date	Quoted/Unquoted	Exercise price	Number
4 November 2021	4 years from admission to ASX Official List	Unquoted	\$0.40	4,461,750
1 March 2022	4 years from admission to ASX Official List	Unquoted	\$0.40	1,600,000
				6,061,750

Shares Issued on the Exercise of Options

There were no ordinary shares of Bubalus Resources Limited that were issued during the financial period and up to the date of this report on the exercise of options granted.

Dividends

No amounts have been paid or declared by way of dividend of the Company since the date of incorporation and the Directors do not recommend the payment of any dividend.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest dollar.

Indemnity and Insurance of Officers

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

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

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.



DIRECTORS' REPORT

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Officers of the Company Who are Former Partners of Pitcher Partners

There are no officers of the Company who are former partners of Pitcher Partners BA&A Pty Limited or related entities.

Auditor

Pitcher Partners BA&A Pty Limited were appointed on 31 March 2022, and remains in office, as per section 327A of the *Corporations Act 2001*.

Non-Audit Services

No amounts were paid or payable to the auditor for non-assurance services provided during the period ended 30 June 2022.

Auditor's Independence Declaration

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



REMUNERATION REPORT (AUDITED)

This remuneration report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, including any director (whether executive or otherwise) of the parent company.

Principles Used to Determine the Nature and Amount of Remuneration

Until listing of the Company, all Directors, including the Executive Chairman has foregone any entitlement to compensation for services rendered under signed executive and non-executive contracts.

Non-executive Directors' remuneration

The Company's policy is to remunerate Non-executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for Non-executive Directors is not linked to individual performance. From time to time, the Company may grant options to Non-executive Directors. The grant of options is designed to recognise and reward efforts and provide Non-executive Directors with additional incentive to continue those efforts for the benefit of the Company. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive Directors is subject to approval by shareholders at a General Meeting.

Executive remuneration

Until listing of the Company, the Executive Chairman has foregone any entitlement to compensation for services rendered under the signed executive contract.

Performance based remuneration

The Company has adopted an employee incentive option plan ('ESOP' or 'Option Plan') to provide ongoing incentives to Directors, Executives and Employees of the Company. The objective of the ESOP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the ESOP are aligned with the successful growth of the Company's business activities.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the ESOP is an appropriate method to:

- a) assist in the reward, retention and motivation of Directors and employees;
- b) link the reward of Directors and employees to Shareholder value creation; and
- c) align the interests of Directors and employees with shareholders of the Company by providing an opportunity to Directors and employees to receive an equity interest in the Company in the form of Securities.

Company performance, shareholder wealth and Directors' and executives' remuneration

The remuneration policy has been tailored to increase the positive relationship between shareholders' investment objectives and Directors and executives' performance. Following listing, this will be facilitated through the employee incentive option plan to encourage the alignment of personal and shareholder interests.

Executive and Non-Executive Contracts

Alec Pismiris has entered into an appointment letter with the Company on 1 June 2022 to act in the capacity of Executive Chairman and William Oliver and Scott Deakin have each entered into appointment letters on 1 June 2022 with the Company to act in the capacity of Non-Executive Directors.

Mr Pismiris, William Oliver and Scott Deakin will receive the cash remuneration set out in the table below:

Director	Annualised remuneration (including superannuation)
Alec Pismiris	\$72,000
William Oliver	\$36,000
Scott Deakin	\$36,000



REMUNERATION REPORT (AUDITED)

In addition, commencing the date of the Company's admission to the ASX, the Company has also agreed to grant Mr Pismiris 1,000,000 New Options as part of his remuneration package as an equity-based incentive. The Company has also agreed to grant Mr Oliver and Mr Deakin 500,000 New Options each as part of their respective remuneration packages as an equity-based incentive.

All Non-Executive Director appointments will automatically cease at the end of any meeting at which Messers Pismiris, Oliver or Deakin are not re-elected individually as a Director by the shareholders of the Company or otherwise ceases in accordance with the Constitution. In addition, all directors agree to submit their resignation as a Director, if, for any reason, they become disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company.

Subsequent to 30 June 2022, Ms Melanie Ross was appointed as Chief Financial Officer and Company Secretary, taking over the Company Secretarial duties from Alec Pismiris on 13 July 2022. Ms Ross is a Director of Consilium Corporate, a company providing corporate financial and company secretarial services to a number of listed junior companies. The services provided by Consilium Corporate, including those of Ms Ross, are provided under a mandate agreement with the Company.

Key Management Personnel

The key management personnel of the Company during the period ended 30 June 2022, consisted of the following directors and executives:

Director	Position
Alec Pismiris	Executive Chairman
William Oliver	Non-Executive Director
Scott Deakin	Non-Executive Director

The details of the Key Management Personnel's remuneration have been set out in the following tables.

Remuneration Structure for Key Management Personnel

Remuneration is based on the following components approved by the Board;

- base pay
- long-term performance incentives
- other remuneration such as superannuation and long service leave.

Table 1: Contract terms for Key Management Personnel

Name	Title	Term of Agreement	Notice Period by Employee	Notice Period by Company	Termination Benefit
Alec Pismiris	Executive Chairman	Open	Upon resignation as director	Upon termination as director	n/a
William Oliver	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Scott Deakin	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a

Table 2: Remuneration for the period ended 30 June 2022

	Short Term		Post-Employment	Long Term		Total	Performance Related
	Salary & Fees	Annual Leave	Super-annuation	Long service leave	Share Based Payments - Options		
2022	\$	\$	\$	\$	\$	\$	%
Alec Pismiris	-	-	-	-	-	Nil	-
William Oliver	-	-	-	-	-	Nil	-
Scott Deakin	-	-	-	-	-	Nil	-



REMUNERATION REPORT (AUDITED)

The Directors have agreed that their per annum base salary or directors' fees (as applicable) will commence and accrue on and from the date of admission of the Company to the Official List of the ASX.

Table 3: Share holdings of Key Management Personnel

Name	Held on incorporation	Issued on exercise of options	Participation in Seed Capital Raisings	Acquired on market	Disposed	Held at the end of the period
<i>Directors</i>						
Alec Pismiris	61,750	-	150,000	-	-	211,750
William Oliver	-	-	50,000	-	-	50,000
Scott Deakin	-	-	150,000	-	-	150,000



REMUNERATION REPORT (AUDITED)

Table 4: Option holdings of Key Management Personnel

Name	Held on incorporation	Number	Grant date	Vesting conditions	Vesting date	Expiry	Exercise Price	Decrease ⁽ⁱⁱ⁾	Held at the end of the year
Directors									
Alec Pismiris	61,750 ⁽ⁱ⁾	-	01/11/2021	None	Immediately	4 years from admission to ASX Official List	\$0.40	-	61,750
	-	75,000 ⁽ⁱ⁾	01/03/2022	None	Immediately	As above	\$0.40	-	75,000
William Oliver	-	25,000 ⁽ⁱ⁾	01/03/2022	None	Immediately	As above	\$0.40	-	25,000
Scott Deakin	-	75,000 ⁽ⁱ⁾	01/03/2022	None	Immediately	As above	\$0.40	-	75,000
Total	61,750	175,000	-	-	-	-	-	-	236,750

(i) Free-attaching options were issued on incorporation, and subsequently as part of the seed raising on 1 March 2022.

(ii) "Decrease" represents options vested, exercised, expired during the year.

REMUNERATION REPORT (AUDITED)

Consequences of Performance on Shareholder

The earnings of the Company for the period to 30 June 2022 are summarised below:

		2022 \$
Other income	\$	Nil
EBITDA	\$	(119,948)
EBIT	\$	(119,948)
Loss after income tax	\$	(119,948)
Share price at 30 June	\$ per share	N/A
Basic loss per share	cents per share	(1.98)

Loans to Key Management Personnel

There were no loans to key management personnel during the period ended 30 June 2022.

Other Transactions with Key Management Personnel and Their Related Parties

During the period ended 30 June 2022, there were no other transactions made with key management personnel and their related parties.

[End of audited Remuneration Report.]

The directors' report is signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Alec Pismiris
Executive Chairman

19 August 2022
Perth

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the independent audit for the interim period ended 30 June 2022, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Bubalus Resources Limited during the period.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 19 August 2022

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



		For the period 1 November 2021 to 30 June 2022 \$
	Notes	
Legal fees		(37,639)
Audit fees	10	(28,000)
Consulting and accounting services		(48,341)
Other administration expenses		(5,968)
Loss before income tax		(119,948)
Income tax expense	2	-
Loss after for the period		(119,948)
Other comprehensive income		-
Total comprehensive loss for the period		(119,948)
Loss per share		
Basic and diluted loss per share (cents)	9	(1.98)

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

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



	30 June 2022	
	Notes	\$
ASSETS		
Current assets		
Cash and cash equivalents	3	304,551
Trade and other Receivables	4	622
Total current assets		305,173
Total assets		305,173
LIABILITIES		
Current liabilities		
Trade and Other Payables	5	75,300
Total current liabilities		75,300
Total liabilities		75,300
Net assets		229,873
EQUITY		
Issued capital	6	349,821
Reserves		-
Accumulated losses		(119,948)
Total equity		229,873

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

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 NOVEMBER 2021 TO 30 JUNE 2022



	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at incorporation 1 November 2021	89,235	-	89,235
Loss after income tax for the period	-	(119,948)	(119,948)
Total comprehensive loss for the period	-	(119,948)	(119,948)
Transactions with owners in their capacity as owners			
Share Issue	320,000	-	320,000
Share Issue Costs	(59,414)	-	(59,414)
Share based payments	-	-	-
Balance at 30 June 2022	349,821	(119,948)	229,873

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 NOVEMBER 2021 TO 30 JUNE 2022



		For the period 1 November 2021 to 30 June 2022
	Notes	\$
Cash flows from operating activities		
Payments to suppliers and employees		(60,244)
GST paid		(622)
Net cash outflow from operating activities	3	(60,866)
Cash flows from financing activities		
Proceeds from issue of shares		409,235
Capital raising costs		(43,818)
Net cash inflow from financing activities		365,417
Net increase in cash held		304,551
Cash at the beginning of the financial period		-
Cash at the end of the financial period		304,551

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



1. Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared for the period 1 November 2021 to 30 June 2022 in accordance with *Corporations Act 2001*, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Company is a public unlisted company and was registered on 1 November 2021. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting estimates and judgements

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

Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Company's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company has to apply a number of estimates and assumptions.

Share based payment transactions

The Company measures the cost of equity-settled transactions with suppliers and employees 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 an appropriate fair value pricing 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.

Comparative figures

There were no comparatives as the Company was incorporated on 1 November 2021.



Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Other income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- a) The rights to tenure of the area of interest are current; and
- b) At least one of the following conditions is also met:
 - i. The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or
 - ii. Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest is continuing.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had not impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular areas of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then classified to development.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

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



Income tax (continued)

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

- a) except where the deferred income tax liability arises from the initial recognition of goodwill or 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
- b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint operations, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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:

- a) 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
- b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint operations, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each 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 year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

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 taxation authority.

Earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit/loss from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings/loss per share is calculated as net profit/loss attributable to members, adjusted for:

- a) costs of servicing equity (other than dividends);
- b) the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- c) other discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- d) divided by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus element.



Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprise cash at bank and in hand and deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less an allowance for impairment. Refer also Financial Instruments.

Goods and services tax (GST)

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

- a) 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
- b) 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 is classified as operating cash flows.

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

Trade and other payables

Trade payables and other payables are initially recognised at fair value and are subsequently carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Refer also to Financial Instruments.

Share based payment transactions

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the shares at the grant date.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Bubalus Resources Limited ('market conditions').

The cost of equity-settled transactions is recognised in the Statement of Comprehensive Income, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').



Share based payment transactions (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance sheet date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transactions a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share, unless the Company is loss making, then it is anti-dilutive as the inclusion of these options would reduce the loss per share.

Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- a) amortised cost;
- b) fair value through profit or loss (FVTPL); and
- c) fair value through other comprehensive income (FVOCI).

In the period presented the Company does not have any financial assets categorised as FVTPL or FVOCI.



Financial Instruments (continued)

The classification is determined by both:

- a) the entity's business model for managing the financial asset; and
- b) the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment of financial instruments

The Company assesses on a forward looking basis the expected credit losses associated with any debt instruments carried at amortised cost and FVOCI. The company financial assets only include trade and other receivables, comprising GST. For trade and other receivables, the Company applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The Company incurred a loss after income tax of \$119,948 and had cash out flows from operating activities of \$60,866 for the period ended 30 June 2022. As at that date, the Company had net current assets of \$229,873.

The directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements after consideration of the following factors:

- the Company is pursuing an initial public offering to the Official List of the Australian Securities Exchange ('ASX') to raise funding to continue commercialisation of the business;
- in accordance with the Corporations Act 2001, the Company has plans to raise further working capital through the issue of equity during the financial year end 30 June 2023;
- if the Company is not admitted to the Official List of the ASX, the Company:
 - will not complete the acquisitions of Tomorrow and Jarrah Nia and accordingly will not be required to reimburse previously incurred expenses in relation to the tenements;
 - the Company continues to keep costs at a minimum in order to conserve cash reserves; and
 - will continue to receive financial support from existing shareholders and Inyati Capital Pty Ltd for the next 12 months to assist in meeting the Company's obligations as and when they fall due.



New and Revised Accounting Standards and Interpretations

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Company.

2. Income Tax Expense

	2022 \$
<i>a) Reconciliation of income tax expense prima facie tax payable</i>	
Loss before income tax	(119,948)
Prima facie income tax at 25%	(29,987)
Tax loss not recognised	29,987
Income tax expense	-
<i>b) Tax losses</i>	
Unused tax losses for which no deferred tax asset has been recognised	119,948
Potential tax benefit at 25%	29,987

- c) The directors estimate that the potential deferred tax asset at 30 June 2022 in respect of tax losses not brought to account is \$29,987.

The benefit for tax losses will only be obtained if:

- i. the Company derives income, sufficient to absorb tax losses; and
- ii. there is no change to legislation to adversely affect the Company in realising the benefit from the deduction of losses.

3. Cash and Cash Equivalents

	2022 \$
<i>Cash and cash equivalents in the statement of financial position and statement of cash flows</i>	
Cash at bank and on hand	304,551
	304,551
	2022 \$
<i>Reconciliation of profit after income tax to the net cash flow from operating activities</i>	
Loss after income tax	(119,948)
<i>Changes in net assets and liabilities:</i>	
Receivables	(622)
Payables	59,704
Net cash outflows from operating activities	(60,866)



4. Trade and Other Receivables

	2022 \$
GST receivable	622
	622

5. Trade and Other Payables

	2022 \$
Trade creditors	31,202
Accrued expenses	44,098
	75,300

6. Issued Capital

	2022 \$
Ordinary shares – issued and fully paid	349,821

	No. of shares	Issue Price	\$
<i>Movement in ordinary shares on issue</i>			
Share issued on incorporation of the Company – 1 November 2021 (a)	4,461,750	0.02	89,235
Shares issued under the pre-Initial Public Offer of Securities – 1 March 2022 (b)	3,200,000	0.10	320,000
Transactions costs	-	-	(59,414)
	7,661,750		349,821

(a) On incorporation, the Company completed a seed capital raising of \$89,235 by issuing 4,461,750 fully paid ordinary shares at an issue price of \$0.02 per share with a one for one attaching option exercisable at \$0.40 with an expiry date 4 years from the date of admission to the Official List of ASX to the founding shareholders.

(b) On 1 March 2022, the Company completed pre-IPO financing offer to clients of Inyati Capital Pty Ltd. The Company successfully raised \$320,000 by issuing 3,200,000 fully paid ordinary shares at an issue price of \$0.10 per share with a one for two attaching option exercisable at \$0.40 with an expiry date 4 years from the date of admission to the Official List of ASX to Sophisticated Investors under section 708(8) of the Corporations Act 2001 and Professional Investors under section 708(11) of the Corporations Act 2001.

Ordinary shares

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

Upon a poll each share shall have one vote and all substantive resolutions at shareholder meetings will be decided by a poll rather than a show of hands



6. Issued Capital (continued)

Capital management

The objectives of management when managing capital is to safeguard the Company's ability to continue as a going concern, so that the Company maintains a strong capital base sufficient to maintain future exploration and development of its projects.

As disclosed in the financial statements, the Company is unlisted but has lodged a listing application with the ASX. Upon successful application, two exploration projects will be acquired and the funds raised will be used primarily for mineral exploration activities.

Due to the current nature of the Company's activities, being IPO for an ASX listing, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet corporate overheads.

The working capital position of the Company at 30 June 2022 is as follows:

	2022 \$
Cash and cash equivalents	304,551
Trade and other receivables	622
Other current assets	-
Trade and other payables	(75,300)
Provisions	-
Working capital position	229,873

7. Related Parties

Key Management Personnel Compensation

There were no key management personnel compensation included in employee benefits expense and share-based payments during the period ended 30 June 2022 as the Directors have agreed that their per annum base salary or directors' fees (as applicable) will commence and accrue on and from the date of admission of the Company to the Official List of the ASX.

Controlled Entities

Bubalus Resources Limited is a sole entity and thus, does not have controlled entities at 30 June 2022.

Transactions with Related Entities

There were no transactions with related entities for the period ending 30 June 2022.

8. Commitments for Expenditure

At 30 June 2022, there were no material commitments that the Company is aware of.



9. Loss per Share

	2022 \$
Loss after income tax	(119,948)
	Number of shares
Weighted average number of ordinary shares used in calculating basic loss per share	6,043,313
Basic and diluted earnings/(loss) per share (cents)	(1.98)

10. Auditors' Remuneration

	2022 \$
Auditing the financial report	15,000
Other assurance services in relation to the Company's proposed listing:	
- Audit of 31 March 2022 financial report	5,000
- Independent limited assurance report	8,000
Total	28,000

11. Events After the Reporting Date

Corporate

The directors are not aware of any other 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.

12. Contingent Assets and Liabilities

Contingent assets

The Company had no contingent assets as at 30 June 2022.

Contingent liabilities

The Company had no contingent liabilities as at 30 June 2022.

13. Operating Segments

The Company is organised into one operating segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment which is mineral exploration and in a single geographical location which is Australia.



14. Financial Management Risk

The Company's principal financial instruments comprise cash and short-term deposits. The Company has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations.

The Company's activities expose it to a variety of financial risks including, credit risk liquidity risk and cash flow interest rate risk. The Company is not exposed to price risk.

Risk management is carried out by the Board of Directors, who evaluate and agree upon risk management and objectives.

Market risk

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

Interest rate risks

The Company is not exposed to interest rate risks as cash deposits held are at nil rates.

Sensitivity analysis

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Credit risk

The Company does not have significant concentrations of credit risk. Credit risk is managed by the Board of Directors and arises from cash and cash equivalents as well as credit exposure including outstanding receivables.

All cash balances are held in Australia and all of Company's surplus funds are invested with A+ Rated financial institutions.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets disclosed within the financial report.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in the market interest rates relate primarily to cash assets.

The Directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the Company had a reporting date were other payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.



14. Financial Management Risk (continued)

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at the reporting date are recorded at amounts approximating their carrying amount.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

15. Dividends

The Company has not declared nor paid a dividend for the period.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial period from incorporation on 1 November 2021 to 30 June 2022; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors draw attention to the notes to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



Alec Pismiris
Executive Chairman

19 August 2022
Perth

**INDEPENDENT AUDITOR'S AUDIT REPORT
TO THE MEMBERS OF
BUBALUS RESOURCES LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bubalus Resources Limited ("the Company"), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from incorporation on 1 November 2021 to 30 June 2022 ("period"), and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the period then ended in accordance with the accounting policies disclosed in Note 1 to the financial statements.

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 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's 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 are responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies disclosed in Note 1 to the financial statements and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 skepticism 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 management.
- Conclude on the appropriateness of management's 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.

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.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director

Perth, 19 August 2022