

PATRIOT LITHIUM LIMITED

(formerly Patriot Lithium Pty Ltd)

ACN 647 470 415

Financial Report

For the period from incorporation 28 January 2021 to 30 June 2021

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CORPORATE INFORMATION

This financial report includes the financial statements and notes of Patriot Lithium Limited ('the Company, as an individual entity'). The Company's functional and presentation currency is AUD (\$).

A description of the Company's operations and of its principal activities is included in the review of operations and activities in the Directors' report. The Directors' report is not part of the financial report.

Directors

Mr Matthew Gaudi – Managing Director

Dr Oliver Kreuzer – Executive Director

Mr Philip Thick – Non-Executive Director

Mr Matthew Worner – Non-Executive Director

Joint Company Secretary

Mr Matthew Worner

Mr Cameron O'Brien

Registered Office & Principal Place of Business

Level 3, 16 Milligan Street, Perth WA 6000

Share Registry

Automic Registry Services

Level 2, 267 St Georges Terrace

Perth WA 6000

Telephone: +1300 288 664

Auditors

BDO Audit (WA) Pty Ltd

Level 9

Mia Yellagonga Tower 2

5 Spring Street

Perth WA 6000 Bankers

Westpac Banking Corporation

Level 13, 109 St Georges Terrace

Perth WA 6000

Solicitors

Steinepreis Paganin

Level 4, 16 Milligan Street

Perth WA 6000

DIRECTORS' REPORT

Your Directors present the following report on Patriot Lithium Limited (referred to hereafter as “the Company”) for the period from incorporation date to 30 June 2021.

Directors

The persons who were Directors of Patriot Lithium Limited during the reporting period and up to the date of this report are:

NAME		APPOINTMENT/RESIGNATION DATE
Mr Hugh Warner	Non-Executive Chairman	Appointed on 31 March 2021 and resigned on 21 October 2021
Mr Matthew Gauci	Managing Director	Appointed on 28 January 2021
Dr Oliver Kreuzer	Executive Director	Appointed on 28 January 2021
Mr Philip Thick	Non-Executive Director, Non-Executive Chairman	Appointed 31 March 2021, Appointed on 1 February 2022
Mr Matthew Worner	Non-Executive Director and Joint Company Secretary	Appointed 21 October 2021

Joint Company Secretary

Mr Matthew Worner (appointed on 21 October 2021)

Mr Cameron O'Brien (appointed on 28 January 2021, resigned on 21 October 2021, and reappointed on 8 February 2022)

Mr Christopher Hilbrands (appointed on 31 March 2021 and resigned on 21 October 2021)

Principal Activities

During the financial period the principal activities of the entity is a holding company with an intention to acquire various exploration assets as part of the initial public offering process with the Australian Stock Exchange (“ASX”).

Dividends

There were no dividends paid or proposed during the period.

Review of Operations

The company was incorporated on 28 January 2021, and the Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of \$18,460 for the financial period ended 30 June 2021.

Significant Change in State of Affairs

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

Matters Subsequent to Reporting Date

DATE	DETAILS
26 Oct 2021	Patriot issued 2,000,000 ordinary shares at \$0.05 each and raised \$100,000. The funds will be used to further the Company listing process on the Australian Stock Exchange.
1 December 2021	Patriot issued 1,000,000 ordinary shares as a consideration to acquire 100% interest in New Energy Metals (US) LLC (“NEML”), a United States of America (“USA”) based company. NEML will be used as a vehicle company to acquire the Lithium projects in the USA.
1 December 2021	Patriot issued 7,350,000 ordinary shares at \$0.10 each and raised \$735,000. The fund will be used to further the Company listing process on the Australian Stock Exchange.
3 December 2021	Patriot entered into a binding heads of agreement with the vendors to acquire 100% of the right, title and interest in Tinton including; Tenements, Statutory Licences, Mining Information and Beatty interest.
14 January 2022	Patriot secured 347 claims over the Wickenburg Project in Arizona, and made a payment of USD\$ 34,000 to stake the claims on 14 January 2022.
1 February 2022	Patriot raised seed capital through issue of 7,350,000 ordinary shares at \$0.10 per share to raise \$735,000.
22 February 2022	Patriot, through its wholly owned subsidiary NEML, entered into a purchase agreement with Mr Cody Schad, to acquire the Keystone Lithium Project in the USA. The consideration payables to the Vendor are USD\$100,000 cash and 1,250,000 ordinary shares in Patriot to be issued at the IPO at \$0.20 per share.
12 May 2022	Patriot raised seed capital through issue of 1,000,000 ordinary shares at \$0.01 per share to raise \$10,000.

20 May 2022	Patriot raised seed capital through issue of 2,000,000 ordinary shares at \$0.10 per share to raise \$200,000.
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DIRECTORS' REPORT

No other matters or circumstances 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 years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental Regulation

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

DIRECTORS' REPORT

Information on Directors

The names of the directors of Patriot who held office during the financial period and at the date of this report are:

Mr Matthew Gauci Managing Director

Qualifications

BSc, MBA

Appointed

Managing Director since 28 January 2021

Experience

Mr Gauci is an experienced mining executive with more than 20 years' experience in strategic management and corporate finance in the mining industry having successfully financed and managed private and public mining exploration companies operating in Australia, Africa and South America. Mr Gauci has managed teams in the exploration, development and feasibility of a number of mining exploration projects in precious metals, base metals and bulk commodities. Mr Gauci has a BSc. and an MBA from the University of Western Australia.

Interest in Shares and Options

4,750,001 Ordinary fully paid shares

Other current directorships

Managing Director: NickleX Limited
(ASX: NKL)

Non-Executive Director: 92 Energy Limited
(ASX: 92E)

Former directorships held in past three years

Metallicity Limited (ASX:MCT)

Dr Oliver Kreuzer Executive Director (Technical)

Qualifications

MAIG RPGGeo, MAusIMM

Appointed

Executive Director since 28 January 2021

Experience

Dr Kreuzer, a geoscientist with 20+ experience, is a world recognised project generator and explorer having been involved in the generation and exploration of significant uranium, gold and base metals projects globally.

Interest in Shares and Options

4,850,001 Ordinary fully paid shares

Other current directorships

Non-Executive Director: 92 Energy Limited
(ASX: 92E)

Non-Executive Director: NickleX Limited
(ASX: NKL)

Non-Executive Director: Eclipse Metals Limited
(ASX:EPM)

Former directorships held in past three years

Non-Executive Director: Cygnus Gold Ltd (ASX: CY5) (2015-2020)

DIRECTORS' REPORT

Mr Philip Thick Non-Executive Chairman

Qualifications

BEng(CivEng) (Hons)

Appointed

Non-Executive Director since 31 March 2021, Non-Executive Chairman since 1 Feb 2022

Experience

Mr Thick is a Mining Executive with more than 30 years' experience as a senior executive and director in oil and gas, mining and chemical processing. During the past 5 years, Mr Thick headed up Tianqi Lithium Australia, a subsidiary of Tianqi Lithium Corp, one of the world's largest lithium companies and majority owner of the Greenbushes lithium mine. Mr Thick was charged with building the world's largest lithium hydroxide plant in Kwinana, south of Perth, an investment of nearly A\$1 billion. Mr Thick has held a number of Executive and Non-Executive Director positions in the oil and gas, chemical manufacturing and mining industries and currently holds various Chairman and Director roles with a strong focus on arts and culture in Western Australia.

Interest in Shares and Options

2,150,000 Ordinary fully paid shares.

Other current directorships

Executive Chair: TiGa Minerals & Metals Limited

Non-Executive Director: Lithium Australia Ltd

Chair: Chamber of Arts & Culture WA

Chair: Perth Symphony Orchestra

Former directorships held in past three years

Executive Director: Tianqi Lithium Australia

Executive Director: Tianqi Lithium Kwinana

Mr Matthew Worner Non-Executive Director

Qualifications

LLB, B.Bus

Appointed

Non-Executive Director since 21 October 2021

Experience

Mr Worner is an experienced oil and gas executive who has worked with ASX and London listed E&P companies in various legal, commercial and new ventures/business development roles. He has overseen the completion of multiple asset acquisitions and divestments the world over, including Asia, Africa, Us and Australasia as well as significant experience dealing with joint venture partners, host governments, and NOCs in these regions.

Interest in Shares and Options

250,000 Ordinary fully paid shares.

Other current directorships

Executive Director: Talon Petroleum Ltd (ASX: TPD)

Former directorships held in past three years

N/A

DIRECTORS' REPORT

DIRECTOR MEETINGS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the period ended 30 June 2021, and the number of meetings attended by each director were:

	Board Meetings	
	Attended	Held
Phil Thick	3	3
Matthew Gauci	3	3
Oliver Kreuzer	3	3
Matthew Worner	0	0
Hugh Warner*	2	2

* Appointed on 31 March 2021 and resigned on 21 October 2021

Held: represents the number of meetings held during the time the director held.

JOINT COMPANY SECRETARY

Matthew Worner was appointed as Non-Executive Director and Joint-Company Secretary on 21 October 2021. Mr Worner is a Corporate Advisor at Grange Consulting Group Pty Ltd, where he specialises in corporate advisory, company secretarial and financial management services. Mr Worner is a former lawyer, with a broad experience in IPOs, capital raisings, Listing Rules and Corporations Act issues. Mr Worner has held management, company secretarial and board positions with various ASX, AIM, and London listed E&P companies. Mr Worner was previously company secretary for Tap Oil Limited (ASX: TAP) and is currently a director of Talon Petroleum Limited (ASX: TPD).

Cameron O'Brien was appointed as Joint-Company Secretary on appointed on 28 January 2021, resigned on 21 October 2021, and reappointed on 8 February 2022. Mr O'Brien is a corporate finance and company secretarial executive with a broad experience across the resources and industrial sector. Mr O'Brien is a qualified chartered accountant with experience at leading international audit and tax advisory firms and has also provided services and advice relating to due diligence, expert reports, valuations and ASX listings. He currently works as a Corporate Adviser at Grange Consulting Group Pty Ltd and provides company secretarial and financial services to several ASX listed companies.

Prior to this, the company secretary was Chris Hilbrands. Mr Hilbrands resigned on 21 October 2021.

Indemnity and Insurance of Officers

The company has indemnified 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, except where there is a lack of good faith.

During the financial period, the company has not paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided were disclosed in Note 13. The Board of Directors has considered the position and is satisfied that the provision on non-audit services is compatible with the general standard of independence of auditors imposed by the Corporation Act 2001. The Directors also satisfied that the provision on non-audit services by the auditor, did not compromise the auditor independence requirements of the Corporation Act 2001.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of Directors

A handwritten signature in blue ink, appearing to read 'M. Gauci', is positioned above the name of the Managing Director.

Matthew Gauci

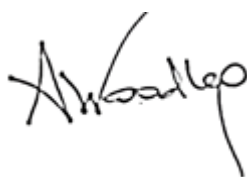
Managing Director

Perth, Western Australia, 1 June 2022

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF PATRIOT LITHIUM LIMITED

As lead auditor of Patriot Lithium Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 01 June 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Patriot Lithium Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Patriot Lithium Limited which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of, 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 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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 preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Ashleigh Woodley

Director

Perth, 01 June 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from incorporation on 28 January 2021 to 30 June 2021

	Note	From Incorporation Date to 30 June 2021 \$
Revenue from continuing operations		
Interest received & other income		1
Share registry fees		(2)
Consultants and corporate advisory	2	(17,581)
Other expenses		(878)
Profit/(Loss) before income tax expense		(18,460)
Income tax expense	3	-
Profit/(Loss) after income tax expense		(18,460)
Other Comprehensive Income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange difference on translation of foreign operations		-
Other comprehensive loss for the period, net of tax		-
Total comprehensive profit/(loss) for the period		(18,460)
Total comprehensive profit/(loss) is attributable to:		
Owners of Patriot Lithium Limited		(18,460)
		(18,460)
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of Patriot Lithium Limited:		
Basic and diluted profit/(loss) per share (cents)	5	(0.20)

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 2021

	Note	2021 \$
ASSETS		
Current assets		
Cash and cash equivalents	6	64,276
Trade and other receivables		1,301
Total current assets		65,577
Non-current assets		-
Total non-current assets		-
TOTAL ASSETS		65,577
LIABILITIES		
Current liabilities		
Trade payables and other payables	7	14,037
Total current liabilities		14,037
Non-current liabilities		-
Total non-current liabilities		-
TOTAL LIABILITIES		14,037
NET ASSETS		51,540
EQUITY		
Issued capital	8	70,000
Accumulated losses		(18,460)
TOTAL EQUITY		51,540

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

STATEMENT OF CHANGES IN EQUITY

For the period from incorporation on 28 January 2021 to 30 June 2021

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Opening balance	-	-	-
Total comprehensive income for the period			
Loss for the period	-	(18,460)	(18,460)
Total comprehensive income/(loss) for the period	-	(18,460)	(18,460)
Transactions with owners, recorded directly in equity			
Issue of shares, net of costs	70,000	-	70,000
Balance at 30 June 2021	70,000	(18,460)	51,540

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

STATEMENT OF CASH FLOWS

For the period from incorporation on 28 January 2021 to 30 June 2021

	Note	2021 \$
Cash flows from operating activities		
Payments to suppliers and employees		(5,725)
Interest received		1
Net cash outflow from operating activities	6	(5,724)
Cash flows from investing activities		-
Net cash outflow from investing activities		-
Cash flows from financing activities		
Proceeds from share issue (net of costs)		70,000
Net cash inflow from financing activities		70,000
Net increase in cash and cash equivalents		64,276
Cash and cash equivalents at beginning of the financial period		-
Cash and cash equivalents at end of the period	6	64,276

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The directors have prepared the financial statements for the period from date of incorporation on 28 January to 30 June 2021. The company was incorporated on 28 January 2021 and this represents the first reporting period for the company. The financial report therefore does not include comparative information.

(a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company was incorporated on 28 January 2021.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sales financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in relevant notes below.

Going concern

The Company is currently undertaking a listing process with the Australian Stock Exchange. Post 30 June 2021, the Company had an allotment and raised \$100,000 via issue of 2,000,000 share capital at \$0.05 pe share in October 2021. Furthermore, the Company also raised a further \$735,000 via issue of 7,350,000 share capital at \$0.10 per share in February 2022.

The ability of the Patriot to continue as a going concern is dependent on the ability to secure additional funding through an initial public offering ('IPO') on the Australian Securities Exchange ('ASX').

These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge liabilities in the normal course of business

The Directors believe there are sufficient funds to meet the Company's working capital requirements as at the end of the financial period. The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal course of business activity, realisation of assets and settlement of liabilities in the normal course of business. The basis of this reasoning is the Directors confidence in the Company's ability to raise additional funding from capital raisings.

Should the Company not continue as a going concern, it may be required to realise its assets and discharge it liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

(b) New and amended standards adopted by the entity

The entity has adopted the revised Conceptual Framework from the date of incorporation of 28 January 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the entity's financial statements.

Any new or amended Australian standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Good and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where 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.

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 flow 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 authorities 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.

(d) Impairment of Assets

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. 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.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Company that generates cash flows that largely are independent from other assets and Companies. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Company of units) on a pro rata basis.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

1. Summary of significant accounting policies (continued)

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(g) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates & judgements will, by definitions, seldom equal the related actual results.

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 entity 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 entity 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 entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

2. Material profit and loss items for the period

Profit/(Loss) for the period includes the following items:

	2021 \$
Consultants and corporate advisory fees:	
Consulting Fees	4,822
Legal fees	12,759
Total consultants and corporate advisory fees expense	17,581

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

3. Income tax

	2021 \$
Income tax expense	
Current tax expense	-
Deferred tax expense	-
	-
(b) Reconciliation of income tax expense to prima facie tax payable:	
Loss before income tax	(18,460)
Prima facie income tax at 26%	(4,800)
Unrecognised carry forward losses	4,800
Income tax expense/(benefit)	-
(c) Tax Losses	
Unused tax losses for which no deferred tax assets have been recognised	(4,800)
	(4,800)

The benefit for tax losses will only be obtained if:

- (i) 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 losses to be realised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (iii) there are no changes in tax legislation in Australia which will adversely affect the Company in realising the benefit from the deductions for the losses.

At 30 June 2021, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiary as the Company has no liability for additional taxation should such amounts be remitted.

Significant accounting policy

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

3. Income tax (continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

4. Dividends paid or proposed

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.

5. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net loss for the Half-year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the Half-year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2021 \$
Basic and diluted loss per share	
Basic and diluted loss per share from continuing operations (cents per share)	(0.20)
Loss	
Loss used in the calculation of basic and diluted earnings per share is as follows:	
Loss for the period from continuing operations	(18,460)
Weighted average number of ordinary shares	
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	9,305,884

6. Cash and cash equivalents

	2021 \$
Current	
Cash at bank and in hand	64,276
Total cash and cash equivalent	64,276

Cash at bank and in hand earns interest at both floating rates based on daily bank rates.

Refer to Note 9 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

Significant accounting policy

For cashflow statement presentation proposed, cash and cash equivalents include 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 change in rate.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

6. Cash and cash equivalents (continued)

Operating cash flow reconciliation

	2021 \$
Reconciliation of operating cash flows to net profit/(loss)	
Profit/(loss) for the period	(18,460)
Increase in trade and other payables	14,037
Increase in trade and other receivables	(1,301)
Cash flow from operations	(5,724)

7. Trade and other payables

	2021 \$
Current	
Trade payables	14,037
	14,037

Significant accounting policy

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 2 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 2 months. All amounts are expected to be settled within 12 months. Please refer to Note 9 on Financial Instruments for further discussion on risk management.

8. Issued capital

(a) Issued and fully paid

	30 June 2021	
	\$	No.
Ordinary shares	70,000	16,100,002
	70,000	16,100,002

(b) Movement reconciliation

Ordinary Shares	No. of Shares	\$
Opening Balance at incorporation date	2	-
Jan & Feb 2021 – Issue of seed share capital	16,100,000	70,000
Share issue costs	-	-
Closing Balance at 30 June 2021	16,100,002	70,000

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

9. Financial instruments

Financial risk management

The Company's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not use derivative financial instruments; however, the Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Company.

(a) Market risk

(i) Interest Rate Risk

The Company is not exposed to any significant interest rate risk at reporting period.

(ii) Foreign exchange risk

The Company operated pre-dominantly in Australia in the period ended 30 June 2021 and had minimal exposure to foreign exchange risk.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Company of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2021 \$
Cash and cash equivalents AA-	64,276
Total	64,276

(c) Maturity analysis of financial assets and liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Company had sufficient cash reserves to meet its requirements. The Company therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Company at reporting date were trade 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. The Company does not consider this to be material to the Company and have therefore not undertaken any further analysis of risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

9. Financial instruments (continued)

2021 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade payables	14,037	-	-	-	-	14,037	14,037
Total financial liabilities	14,037	-	-	-	-	14,037	14,037

10. Commitments and contingent liabilities

There are no material commitment, contingent liabilities or contingent assets of the company at reporting date.

11. Related party disclosure

Shareholding

The number of shares in the company held during the financial year by each director and of the entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Matthew Gauci	-	-	4,750,001 ¹	-	4,750,001
Oliver Kreuzer	-	-	4,750,001 ¹	-	4,750,001
Phil Thick	-	-	2,150,000 ¹	-	2,150,000
Matthew Worner	-	-	-	-	-
	-	-	11,650,002	-	11,650,002

¹These additions were shares issued to the Directors through their participation in various seed raising during the period.
No further related party transactions incurred during the period ended 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2021

12. Events after the reporting date

DATE	DETAILS
26 Oct 2021	Patriot issued 2,000,000 ordinary shares at \$0.05 each and raised \$100,000. The fund will be used to further the Company listing process on the Australian Stock Exchange.
1 December 2021	Patriot issued 1,000,000 ordinary shares as a consideration to acquire 100% interest in New Energy Metals LLC ("NEML"), a United States of America ("USA") based company. NEML will be used as a vehicle company to acquire the Lithium project in the USA.
1 December 2021	Patriot issued 7,350,000 ordinary shares at \$0.10 each and raised \$735,000. The fund will be used to further the Company listing process on the Australian Stock Exchange.
14 January 2022	Patriot secured 347 claims over the Wickenburg Project in Arizona, and made a payment of USD\$ 34,000 to stake the claims on 14 January 2022.
1 February 2022	Patriot raised seed capital through issue of 7,350,000 ordinary shares at \$0.10 per share to raise \$735,000.
22 February 2022	Patriot, through its wholly owned subsidiary New Energy Metals LLC, entered into a purchase agreement with Cody Schad, to acquire Lithium Keystone Project in the USA. The consideration payables to the Vendor are USD\$100,000 cash and 1,250,000 ordinary shares in Patriot to be issued at the IPO at \$0.20 per share.
12 May 2022	Patriot raised seed capital through issue of 1,000,000 ordinary shares at \$0.01 per share to raise \$10,000.
20 May 2022	Patriot raised seed capital through issue of 2,000,000 ordinary shares at \$0.10 per share to raise \$200,000.

No other matters or circumstances 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 years.

DIRECTOR'S DECLARATION

The directors of the Company declare that:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the period ended on that date of the Company.
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the Managing Director as required by section 295A, of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Mr Matthew Gauci
Managing Director

Perth, 1 June 2022