NGX Limited

ACN 649 545 068

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

CORPORATE DIRECTORY

Directors
Mr Ian Middlemas – Chairman
Mr Ben Stoikovich – Non-Executive Director
Mr Mark Pearce – Non-Executive Director

Company Secretary
Mr Dylan Browne

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Legal Adviser
Thomson Geer
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Perth WA 6000

Auditor
William Buck Audit (WA) Pty Ltd
3/15 Labouchere Road
South Perth WA 6151

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The directors of NGX Limited present their report on the Group consisting of NGX Limited ("Company" or "Parent Entity") and the entities it controlled at the end of, or during, the year ended 30 June 2022 ("Group").

Directors

The following persons were directors of the Company during the whole of the year and up to the date of this report, unless otherwise stated:

Mr Ian Middlemas	Non-Executive Director
Mr Mark Pearce	Non-Executive Director
Mr Benjamin Stoikovich	Non-Executive Director

Principal activities

During the financial year, the principal activities of the Company was identifying new business opportunities in the resource section, with a focus in Malawi.

Review of operations

The loss for the Company, after providing for income tax, amounted to $585,098 (2021: restated loss of $109,408).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 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

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 currently subject to any significant environmental regulations.

Information on directors and officers

Mr Ian Middlemas

Chairperson

Qualifications- B.Com, CA

Mr Middlemas is a Chartered Accountant and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director of a number of publicly listed companies in the resources sector.

During the three year period to the end of the financial year, Mr Middlemas has held directorships in Constellation Resources Limited (November 2017 – present), Apollo Minerals Limited (July 2016 – present), GCX Metals Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), GreenX Metals Limited (August 2011 – present), Salt Lake Potash Limited (Administrators Appointed) (Receivers and Managers Appointed) (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 - present), Odyssey Gold Limited (September 2005 – present), Peregrine Gold Limited (September 2020 – February 2022), Piedmont Lithium Limited (September 2009 – December 2020) and Cradle Resources Limited (May 2016 – July 2019).

Mr Mark Pearce
Director
Qualifications- B.Bus, CA, FCIS, FFin
Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and a member of the Financial Services Institute of Australasia. During the three year period to the end of the financial year, Mr Pearce has held directorships in Constellation Resources Limited (July 2016 –present), GreenX Metals Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 - present), Peregrine Gold Limited (September 2020 – February 2022), Odyssey Gold Limited (September 2005 – August 2020), Apollo Minerals Limited (July 2016 – February 2021) and Salt Lake Potash Limited (Administrators Appointed) (Receivers and Managers Appointed) (August 2014 – October 2020).

Mr Ben Stoikovich
Director
Qualifications- B.Eng, M.Eng, M.Sc, CEng, CEnv
Mr Stoikovich is an experienced mining executive and corporate finance professional residing in London. Mr Stoikovich is currently the Chief Executive Officer (CEO) of GreenX Metals Limited (ASX: GRX) and was formerly a Director of the Mining and Metals Corporate Finance Division of Standard Chartered Bank in London, with extensive experience in financing the development of African mining projects and exposure to the mineral sands sector.

Mr Stoikovich started his career as a mining engineer with BHP Billiton in Australia, gaining broad experience across mine operations management and qualifying as a mine manager. He holds a post graduate degree in Environmental Engineering and UK professional designation as a Chartered Environmentalist (CEnv) with wide ranging experience of managing the environmental, social and sustainability aspects of mining projects across the life-cycle and the Environmental, Social and Governance (ESG) requirements of the investment community. During the three year period to the end of the financial year, Mr Stoikovich held directorships in GreenX Metals Limited (June 2013 – present) and Sovereign Metals Limited (October 2020 - present).

Mr Dylan Browne
Company Secretary
Qualifications- B.Com, CA, AGIA, ACG
Mr Browne is a Chartered Accountant and Associate Member of the Governance Institute of Australia (Chartered Secretary) who is currently Company Secretary for a number of ASX and European listed companies that operate in the resources sector. He commenced his career at a large international accounting firm and has since been involved with a number of exploration and development companies operating in the resources sector, based in London and Perth, including Berkeley Energia Limited, Apollo Minerals Limited, GreenX Metals Limited and Papillon Resources Limited.

Company Secretary
Dylan Browne has held the role of Company Secretary since inception. Refer to the details above.

Minutes of directors
The number of meetings of the Company's Board of Directors ("the Board") and of each Board committee held during the year ended:

Director	Attended	Held[1]
Ian Middlemas	-	-
Mark Pearce	-	-
Ben Stoikovich	-	-

Note:
[1] Board meetings are generally considered and approved by means of written resolutions of board members.

Shares under option
There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

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

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

Proceedings on behalf of the Company
No person has applied 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.

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

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

For and on behalf of the directors

Mark Pearce
Director

27 October 2022

William Buck
ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NGX LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director

Dated this 27th day of October 2022

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	19 April 2021 to 30 June 2021 (restated) $
Expenses			
Corporate and administrative expenses		**(44,025)**	(54,251)
Exploration and evaluation expenditure		**(405,150)**	(55,157)
Impairment expense		**(135,923)**	-
Total expenses		**(585,098)**	(109,408)
Loss before income tax		**(585,098)**	(109,408)
Income tax expense		**-**	-
Loss from operations		**(585,098)**	(109,408)
Loss attributable to members of NGX Limited		**(585,098)**	(109,408)
Other comprehensive income, net of income tax:			
Exchange differences arising on translation of foreign operations		**-**	-
Total comprehensive loss attributable to members of NGX Limited		**(585,098)**	(109,408)
Basic and diluted loss per share (dollars per share)	11	**(292,549)**	(54,704)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	30 June 2022 $	30 June 2021 (restated) $
ASSETS			
Current assets			
Cash and cash equivalents	2	**2**	2
Other assets		**38**	-
TOTAL ASSETS		**40**	2
LIABILITIES			
Current liabilities			
Trade and other payables	3	**144,824**	3,000
Total current liabilities		**144,824**	3,000
Non-current liabilities			
Borrowings	4	**549,720**	106,408
Total non-current liabilities		**549,720**	106,408
TOTAL LIABILITIES		**694,544**	109,408
NET LIABILITIES		**(694,504)**	(109,406)
SHAREHOLDER DEFICIT			
Issued capital	5	**2**	2
Accumulated losses	6	**(694,506)**	(109,408)
TOTAL DEFICIENCY		**(694,504)**	(109,406)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Contributed Equity	Accumulated Losses	Total Equity $
2022			
Opening Balance at 1 July 2021 (restated)	**2**	**(109,408)**	**(109,406)**
Net loss for the year	**-**	**(585,098)**	**(585,098)**
Exchange differences arising on translation of foreign operations	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**(585,098)**	**(585,098)**
Balance at 30 June 2022	**2**	**(694,506)**	**(694,504)**
2021			
Opening Balance at 19 April 2021	-	-	-
Restated net loss for the period	-	(109,408)	(109,408)
Exchange differences arising on translation of foreign operations	-	-	-
Total comprehensive loss for the period	-	(109,408)	(109,408)
Issue of shares- Incorporation	2	-	2
Balance at 30 June 2021 (restated)	2	(109,408)	(109,406)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 $	19 April 2021 to 30 June 2021 (restated) $
Operating activities			
Payments to suppliers and employees		**-**	-
Net cash outflows from operating activities		**-**	-
Financing activities			
Proceeds from borrowings		**-**	-
Proceeds from issue of shares		**-**	2
Net cash flows from financing activities		**-**	2
Net increase in cash and cash equivalents		**-**	2
Cash and cash equivalents at beginning of period		**2**	-
Cash and cash equivalents at end of year	2	**2**	2

The accompanying notes form part of these financial statements.

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

Note 1: Statement of Significant Accounting Policies

The significant accounting policies adopted in preparing the financial report of NGX Limited ("NGX" or "Company") and its consolidated entities ("Consolidated Entity" or "Group") for the year ended 30 June 2022 are stated to assist in a general understanding of the financial report. NGX Limited is a proprietary company limited by shares, incorporated and domiciled in Australia. This financial report has been prepared in order to meet the needs of members.

The Group was incorporated on 19 April 2021 and accordingly prior period figures covering the period from incorporation are shown for comparative purposes.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") and interpretations adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial statements comprise the financial statements of the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars. For the purposes of preparing financial statements under Australia Accounting Standards, NGX Limited is a for-profit entity.

(b) Going Concern

The financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. As at 30 June 2022, the Group has a deficiency in net assets of $694,504 (2021: restated $109,406) predominantly due to a related party loan of $549,720 (2021: restated $106,408) to Sovereign Metals Limited ("SVM"). SVM will not call up their outstanding loan of $549,720 (2021: restated $106,408) and have agreed to provide financial support 12 months from the date of signing the financial report.

(c) Statement of Compliance

In the current period, the Company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards or Interpretations has had an immaterial impact (if any) on the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 1: Statement of Significant Accounting Policies (continued)

(d) Accounting standards issued but not yet effective and not been adopted early by the Company

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the reporting year ended 30 June 2022. Those which may be relevant to the Company are set out in the following table, but these are not expected to have any significant impact on the Company's financial statements.

Standard/Interpretation	Application Date of Standard	Application Date for Group
AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (AASB 1, 3, 9, 116, 137 & 141)*	1 January 2022	1 July 2022
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	1 January 2023	1 July 2023
AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date*	1 January 2023	1 July 2023
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	1 January 2023	1 July 2023
AASB 2021-7(a-c) *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	1 January 2025	1 July 2025
AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*	1 January 2023	1 July 2023

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

(g) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For the majority of borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Note 1: Statement of Significant Accounting Policies (continued)

(h) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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 balance 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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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

(i) Use and Revision of Accounting Estimates

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1: Statement of Significant Accounting Policies (continued)

(j) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(k) Significant judgements and key assumptions

The Director's evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(l) Issued Capital

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. 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.

(m) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is

i) the rights to tenure of the area of interest are current; and

ii) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

Note 1: Statement of Significant Accounting Policies (continued)

(m) Exploration and Evaluation Expenditure (continued)

- 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 area of interest are continuing.

Exploration and evaluation expenditure incurred by the Company subsequent to the acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs 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 no impairment loss been recognised for the asset in previous periods.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(n) Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to dispose and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

Note 1: Statement of Significant Accounting Policies (continued)

(n) Impairment (continued)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Adjustment to the Comparative Period

The comparative period has been amended to reflect expenses incurred on behalf of NGX by Sovereign Metals Limited during the period 19 April 2021 to 30 June 2021.

(p) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by NGX Limited at reporting date. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Where controlled entities have entered or left the group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

	2022 $	2021 $
Note 2: Cash and cash equivalents		
Cash at bank and on hand	**2**	2
Total cash and cash equivalents	**2**	2

Note 3: Trade and other payables	2022 $	2021 $
Accounting and taxation	**6,908**	-
Audit fee	**9,000**	3,000
Consultants	**13,405**	-
Legal fees	**214**	-
Test work	**115,297**	-
Total accruals	**144,824**	3,000

Note 4: Borrowings	2022 $	2021 (restated) $
Loan from Sovereign Metals Limited[1]	**549,720**	106,408
Total borrowings	**549,720**	106,408

Note:
[1] Sovereign Metals Limited is the ultimate parent entity of the NGX Group. SVM provided the Company funding as part of its operations. See Note 13 for further information.

Note 5: Issued capital	2022 $	2021 $
2 fully paid ordinary shares	**2**	2
Total issued capital	**2**	2

Note 6: Accumulated losses	2022 $	2021 (restated) $
Accumulated losses at beginning of period	**(109,408)**	-
Net loss attributable to members of the Company	**(585,098)**	(109,408)
Accumulated losses at end of the year	**(694,506)**	(109,408)

Note 7: Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company operates in one segment, being business development and identification of resources projects. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Company.

Note 8: Statement of cash flows reconciliation

	30 June 2022 $	19 April 2021 to 30 June 2021 (restated) $
Reconciliation of the Net Loss After Tax to the Net Cash Flows from Operations		
Loss for the year/period	**(585,098)**	(109,408)
Change in operating assets and liabilities		
(Increase) in cash and cash equivalents	**-**	(2)
Increase in accruals	**9,000**	3,000
Increase in borrowings	**576,098**	106,410
Net cash outflow from operating activities	**-**	-
Reconciliation of Cash		
Cash at bank and on hand	**2**	2
Balance at 30 June	**2**	2

Non-cash financing and investing activities

There were no non-cash financing or investing activities during the period ended 30 June 2022. The Company has impaired a loan of $135,923 (2021: nil) to NGX Exploration Limited and NGX Mining Limited as the Company will not call upon this outstanding loan.

Note 9: Contingent assets and liabilities

As at the date of this report, no contingent assets or liabilities had been identified as at 30 June 2022 (2021: nil).

Note 10: Earnings Per Share

	2022 Dollar per Share	2021 Dollar per Share (restated)
Basic and diluted loss per share		
From continuing operations	**(292,549)**	(54,704)
Total basic and diluted loss per share	**(292,549)**	(54,704)

The following reflects the loss and share data used in the calculations of basic and diluted loss per share:

	2022 $	2021 (restated) $
Net loss used in calculating basic and diluted earnings per share	**(585,098)**	(109,408)

	2022 $	2021 $
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**2**	2

Note 11: Financial Instruments

a) Overview

The Group's principal financial instruments comprise receivables, payables and cash. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. This Note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security. Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from cash and cash equivalents, other receivables and other financial assets. There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2022	2021
	$	$
Cash and cash equivalents	**2**	2
	2	2

The Group does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

Note 11: Financial Instruments (continued)

c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2022 and 2021, the Group has sufficient liquid assets to meet its financial obligations. The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
2022					
Financial Liabilities					
Trade and other payables	-	**144,824**	**-**	**-**	**144,824**
Borrowings	-	**-**	**549,720**	**-**	**549,720**
	-	**144,824**	**549,720**	**-**	**694,544**
2021					
Financial Liabilities				**-**	
Trade and other payables	-	3,000	-	**-**	3,000
Borrowings	-	-	106,408	**-**	106,408
	-	3,000	106,408	**-**	109,408

d) Capital Management

The Board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Group continues to examine new business opportunities where acquisition/working capital requirements of a new project may involve additional funding in some format (which may include debt where appropriate). There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

e) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

Note 11: Financial Instruments (continued)

e) Interest Rate Risk (continued)

	2022 **$**	**2021** **$**
Interest-bearing financial instruments		
Cash at bank and on hand	**2**	2
	2	2

The Group's cash at bank and on hand are non-interest bearing. The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity
A sensitivity of +/-2% has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A +/-2% movement in interest rates at the reporting date would have increased (decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2021.

	Profit or loss	
	+2% Increase	**-2% Decrease**
2022		
Cash and cash equivalents	**-**	-
2021		
Cash and cash equivalents	**-**	-

Note 12: Parent Entity Disclosures

	2022 $	2021 (restated) $
(a) Financial Position		
Assets		
Current Assets	**-**	2
Total Assets	**-**	2
Liabilities		
Current Liabilities	**(694,504)**	(109,408)
Total Liabilities	**(694,504)**	(109,406)
Equity		
Contributed equity	**2**	2
Accumulated losses	**(694,506)**	(109,408)
Total Equity	**(694,504)**	(109,406)
(b) Financial Performance		
Loss for the year/period	**(595,098)**	(109,408)
Total comprehensive loss	**(595,098)**	(109,408)

(c) Other

No guarantees have been entered into by the parent entity in relation to its subsidiaries. Refer to Note 9 for details of contingent assets and liabilities.

Note 13: Related Parties

(a) Subsidiaries

	Country of Incorporation	Equity Interest 2022 %	2021 %
NGX Graphite Pty Ltd (previously Sovereign Graphite Pty Ltd)	Australia	**100**	100
NGX Holdings UK Limited	United Kingdom	**100**	100
NGX Exploration UK Limited	United Kingdom	**100**	100
NGX Mining UK Limited	United Kingdom	**100**	100

(b) Ultimate Parent

NGX Limited is the ultimate parent of the Group ("NGX Group").

Note 13: Related Parties (continued)

(c) Transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Sovereign Metals Limited ("SVM") is the ultimate parent of the NGX Group. A related party loan of $549,720 (2021: restated $106,408) to SVM. SVM will not call up their outstanding loan and have agreed to provide financial support 12 months from the date of signing the financial report.

Note 14: Restatement of comparative financial information

Impact on statement of financial position

	30 June 2021 as previously disclosed	30 June 2021 adjustments	30 June 2021 (restated)
	$	$	$
Total assets	**2**	**-**	**2**
Borrowings	51,251	55,157	106,408
Total liabilities	**54,251**	**55,157**	**109,408**
Issued capital	2	-	2
Accumulated losses	(54,251)	(55,157)	(109,408)
Total deficiency	**(54,249)**	**(55,157)**	**(109,406)**

Impact on statement of profit or loss and other comprehensive income

	30 June 2021 as previously disclosed	30 June 2021 adjustments	30 June 2021 (restated)
	$	$	$
Continuing operations			
Exploration and evaluation expenditure	-	(55,157)	(55,157)
Loss before income tax	(54,251)	(55,157)	(109,408)
Income tax expense	-	-	-
Other comprehensive income, net of income tax	-	-	-
Total comprehensive loss attributable to members of NGX Limited	(54,251)	(55,157)	(109,408)

Note 15: Events subsequent to balance date

As at the date of this report, there are no matters or circumstances which have arisen since 30 June 2022 that have significantly affected or may significantly affect:

- the operations, in financial periods subsequent to 30 June 2022, of the Company;
- the results of those operations, in financial periods subsequent to 30 June 2022, of the Company; or
- the state of affairs, in financial periods subsequent to 30 June 2022, of the Company.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of NGX Limited:

1. In the opinion of the directors:

   a) the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporation Regulations 2001 and other mandatory professional reporting requirements;

   b) the attached financial statement and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

   c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The Directors have been given a declaration required by section 295(5)(a) of the Corporations Act 2001 for the period ended 30 June 2022.

Mark Pearce
Director

Dated 27 October 2022

WilliamBuck
ACCOUNTANTS & ADVISORS

NGX Limited
Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NGX Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors'

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the 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.

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William Buck
ACCOUNTANTS & ADVISORS

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director
Dated this 27th day of October 2022