

Volt Geothermal Pty Ltd

ABN 651713683

Annual Report - 30 June 2022

**Volt Geothermal Pty Ltd
Directors' report
30 June 2022**

The directors present their report, together with the financial statements, on the company for the period ended 30 June 2022.

The company was incorporated on 5 July 2021 and the financial statements presented are for the period 5 July 2021 to 30 June 2022.

Directors

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

Stephen Richard Biggins
Cherryann Woods

Principal activities

During the financial period the principal continuing activities of the company consisted of:

- Geothermal energy

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Review of operations

The loss for the company amounted to \$47,737.

Significant changes in the state of affairs

Volt Geothermal Pty Ltd was incorporated on 5 July 2021.

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

Matters subsequent to the end of the financial period

Subsequent to 30 June 2022, Cradle Resources Limited entered into a binding agreement to purchase 84% of the shares in the company.

No other 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

Volt Geothermal Pty Ltd applied for permits for geothermal exploration in South Australia.

Environmental regulation

The company is subjected to significant environmental regulation under the South Australian Petroleum and Geothermal Energy Act 2000 and Petroleum and Geothermal Energy Regulations 2013.

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 period ended 30 June 2022 and up to the date of this report.

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 or any related entity.

Indemnity and insurance of auditor

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

Volt Geothermal Pty Ltd
Directors' report
30 June 2022

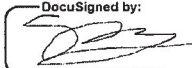
During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

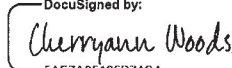
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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 the directors

DocuSigned by:

5DDDD92A403C4B4...
Mr Stephen Richard Biggins
Director

5 September 2023

DocuSigned by:

5AE7A05125B74C4...
Ms Cherryann Woods
Director

Volt Geothermal Pty Ltd
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General information

The financial statements cover Volt Geothermal Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Volt Geothermal Pty Ltd's functional and presentation currency.

Volt Geothermal Pty Ltd was incorporated on 5 July 2021. The financial statements presented represents the financial position for the period of 5 July 2021 to 30 June 2022. Hence, there are no comparatives presented for the 2021 financial year.

Volt Geothermal Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

53 Johnston Street, Peppermint Grove, WA 6011

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 September 2023. The directors have the power to amend and reissue the financial statements.

Volt Geothermal Pty Ltd
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2022

	Note	2022 \$
Expenses		
Exploration costs	3	(28,725)
Administration costs	3	<u>(19,012)</u>
Loss for the period attributable to the owners of Volt Geothermal Pty Ltd	9	(47,737)
Other comprehensive income for the period		<u>-</u>
Total comprehensive income for the period attributable to the owners of Volt Geothermal Pty Ltd		<u><u>(47,737)</u></u>

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

Volt Geothermal Pty Ltd
Statement of financial position
As at 30 June 2022

	Note	2022 \$
Assets		
Current assets		
Cash and cash equivalents	4	8,050
Trade and other receivables	5	15,225
Total current assets		<u>23,275</u>
Total assets		<u>23,275</u>
Liabilities		
Current liabilities		
Trade and other payables	6	16,000
Borrowings	7	25,012
Total current liabilities		<u>41,012</u>
Total liabilities		<u>41,012</u>
Net liabilities		<u>(17,737)</u>
Equity		
Issued capital	8	30,000
Accumulated losses	9	(47,737)
Total deficiency in equity		<u>(17,737)</u>

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

Volt Geothermal Pty Ltd
Statement of changes in equity
For the period ended 30 June 2022

	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2021	-	-	-	-
Loss for the period	-	-	(47,737)	(47,737)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(47,737)	(47,737)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	30,000	-	-	30,000
Balance at 30 June 2022	30,000	-	(47,737)	(17,737)

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

Volt Geothermal Pty Ltd
Statement of cash flows
For the period ended 30 June 2022

	Note	2022 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)		<u>(31,962)</u>
Net cash used in operating activities	15	<u>(31,962)</u>
Cash flows from financing activities		
Proceeds from issue of shares	8	30,000
Loan from related parties		25,012
Loan to related parties		<u>(15,000)</u>
Net cash from financing activities		<u>40,012</u>
Net increase in cash and cash equivalents		8,050
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period	4	<u><u>8,050</u></u>

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

Volt Geothermal Pty Ltd
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Going Concern

At the reporting date the company incurred a loss of \$47,737, and during the period ended 30 June 2022 and as of that date, the current liabilities exceeded its total assets by \$17,737. The directors have prepared the financial statements of the Company on a going concern basis which assumes continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The shareholders of the Company have provided a letter of support to the directors of the Company confirming that they will continue to provide further loan funds to the Company as required for working capital purposes to ensure the Company has sufficient funds to continue trading and to pay its debts as and when they fall due for a period of at least 12 months from the date of the approval of the financial statement.

Accordingly, the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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 company'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 note 2.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Volt Geothermal Pty Ltd's functional and presentation currency.

Income tax

The income tax expense or benefit for the period is the tax payable on the period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Volt Geothermal Pty Ltd
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

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

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.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

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 from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Volt Geothermal Pty Ltd
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Exploration and Evaluation Expenditures

The cost of tenements acquired for geothermal purposes and subsequent evaluation expenditures are expensed as incurred.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2022. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 3. Expenses

	2022 \$
<i>Exploration costs</i>	
Exploration expenses	28,725
<i>Administration costs</i>	
Accounting fees	6,000
Audit fees	10,000
Consulting fees	2,250
Formation costs	762
	<u>19,012</u>

Note 4. Current assets - cash and cash equivalents

	2022 \$
Cash at bank	<u>8,050</u>

Note 5. Current assets - trade and other receivables

	2022 \$
Loan to other related party	15,000
Goods & services tax receivables	225
	<u>15,225</u>

Volt Geothermal Pty Ltd
Notes to the financial statements
30 June 2022

Note 6. Current liabilities - trade and other payables

	2022 \$
Accounting fee payable	6,000
Audit fee payable	10,000
	<u>16,000</u>

Refer to note 11 for further information on financial instruments.

Note 7. Current liabilities - borrowings

	2022 \$
Loan from related parties	<u>25,012</u>

Refer to note 11 for further information on financial instruments.

The related party loans are repayable at call and have no interest payable.

Note 8. Equity - issued capital

	2022	\$
	Shares	
Ordinary shares - fully paid	<u>77,660</u>	<u>30,000</u>

Ordinary shares

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

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may issue new shares or increase debt.

Note 9. Equity - accumulated losses

	2022 \$
Retained profits at the beginning of the financial period	-
Loss for the period	<u>(47,737)</u>
Accumulated losses at the end of the financial period	<u>(47,737)</u>

Volt Geothermal Pty Ltd
Notes to the financial statements
30 June 2022

Note 10. Equity - dividends

There were no dividends paid, recommended or declared during the current financial period.

Note 11. Financial instruments

Financial risk management objectives

The company's activities expose it largely to liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Market risk

Foreign currency risk

The company is not exposed to any significant foreign currency risk.

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

The company is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The company does not hold any collateral.

The company is not exposed to any significant credit risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves, raising capital and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

As at 30 June 2022, the company has loans to related parties of \$15,000, payable on call.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 12. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by William Buck Audit (WA) Pty Ltd, the auditor of the company:

	2022 \$
Audit services - William Buck Audit (WA) Pty Ltd	
Audit of the financial statements	<u>10,000</u>

Volt Geothermal Pty Ltd
Notes to the financial statements
30 June 2022

Note 13. Related party transactions

Transactions with related parties

There were no transactions with related parties during the financial period other than the loans disclosed below.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Loans to/from related parties

There were loans to or from related parties at the reporting date.

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2022 \$
Current receivables:	
Loan to other related party	15,000
Current borrowings:	
Loan from entity with significant influence	25,012

The related party loans are unsecured, payable on call and are interest free.

All transactions were made on normal commercial terms and conditions and at market rates.

Note 14. Events after the reporting period

Subsequent to 30 June 2022, Cradle Resources Limited entered into a binding agreement to purchase 84% of the shares in the company.

No other 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.

Note 15. Reconciliation of loss to net cash used in operating activities

	2022 \$
Loss for the period	(47,737)
Change in operating assets and liabilities:	
Increase in trade and other payables	15,775
Net cash used in operating activities	<u>(31,962)</u>

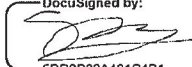
Volt Geothermal Pty Ltd
Directors' declaration
30 June 2022

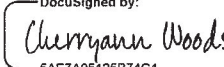
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable as disclosed in note 1.

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

On behalf of the directors

DocuSigned by:

5D00D92A401C4B1
Mr Stephen Richard Biggins
Director

DocuSigned by:

5AE7A0E125B74C4
Ms Cherryann Woods
Director

5 September 2023

Volt Geothermal Pty Ltd
Independent auditor's report to the members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Volt Geothermal Pty Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of cash flows, and the statement of changes in equity for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company, gives a true and fair view of the financial position of the Company as at 30 June 2022 and of its financial performance for the period then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 Australian Accounting Standards 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the entity 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/ar4.pdf

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

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated 5 September 2023