

Canada Future Metals Pty Ltd

ACN: 669 142 929

Financial Accounts – For the period ended 31 December 2023

The director presents his report, together with the financial statements, on Canada Future Metals Pty Ltd (the Company) for the period ended 31 December 2023.

Directors

The name of the director of the Company in office during the financial year and up to the date of this report is as follows:

Peter Pawlowitsch

The Director was in office from the formation of the Company until the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each director are as follows:

Peter Pawlowitsch, B.Com, CPA MBA, , FGIA – Director

Mr Pawlowitsch holds a Bachelor of Commerce from the University of Western Australia, is a member of the Certified Practising Accountants of Australia, a fellow of the Governance Institute and holds a Master of Business Administration from Curtin University.

These qualifications have underpinned more than 15 years' experience in the accounting profession and more recently in business management and the evaluation of businesses and mining projects.

Director since 26 June 2023.

Meetings of Directors

There has been no meetings since the formation of the Company, as the Company is a sole director company.

Principal Activities

The Company was formed to acquire exploration permits for minerals in Canada.

Review of Operations

The loss for the Company for the Period after providing for income tax amounted to \$17,319 (No comparative).

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

Significant Changes to the State of Affairs

Significant changes in the state of affairs of the Company during the financial year are detailed in the review of operations.

In the opinion of the director, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

Events Subsequent to the End of the Financial Year

On or about 12 March 2024 pursuant to an Acquisition Agreement, the shareholders of the Company have agreed to be acquired by Applyflow Limited (AFW) subject to the satisfaction or waiver of condition precedent. A summary of the key terms of the Acquisition Agreement is set out below.

Consideration

On completion of the Acquisition, AFW will issue 4,000,000 fully paid ordinary shares in the capital of AFW (Shares), 1,800,000 options and 1,000,000 performance shares to the shareholders of Canada Future Metals. The performance shares will convert on a 1:1 basis into shares of AFW, on announcing: (i) an intersection of at least 10m from drilling, horizontal trenching or channel sampling at no less than 1% Cu or equivalent (where equivalent metals are Au, Pb, Zn, Ag, Co, Ba, V, F, Sr) at the Fairfield Project; Fintry Complex Hecla-Kilmer Complex 8 or (ii) an intersection of at least 10m from drilling, horizontal trenching or channel sampling at no less than 1% TREO or equivalent (where equivalent metals are Nb, P, Cu, Au, Pt, Pd) at the Fintry Project, by 31 December 2025 as verified by an independent competent person.

Conditions Precedent

Completion of the Acquisition is subject to and conditional on the following conditions precedent (Conditions Precedent) being satisfied or waived:

- (a) AFW obtaining all necessary shareholder approvals as are required (including under the Buyer's constitution, the Listing Rules and the Corporations Act) to give effect to the of the Acquisition and Re-Compliance (together, the Transaction) including the Consolidation (see below) and the change of name of the buyer to FMR Resources Ltd;
- (b) AFW receiving applications and subscription funds for the full amount of the Public Offer (see below);
- (c) AFW conducting technical, financial and legal due diligence on the Company and its assets and being satisfied with the results of such due diligence in its absolute discretion;
- (d) following shareholder approval of the Consolidation, AFW undertaking the Consolidation;
- (e) AFW receiving a conditional listing letter from the ASX for the re-compliance of AFW, on terms which are capable of satisfaction;

- (f) disposal by AFW of the existing business of AFW on terms reasonably acceptable to the shareholders of Canada Future Metals; and
- (g) the shareholders of the Company conducting financial and legal due diligence on AFW and its assets and being satisfied with the results of such due diligence in its absolute discretion.

Other than as mentioned in this Section no matters or circumstances have arisen, since the end of the financial year, 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 subsequent financial years, other than as outlined in the review of operations.

Likely Developments and Expected Results of Operations

The Company will continue to hold and explore Fairfield and Fintry Projects in Canada.

Indemnity and Insurance of Officers

The Company has not indemnified the director of the Company for costs incurred, in his capacity as a director or executive, for which they he maybe personally liable.

During the financial year, the Company paid no premium in respect of a contract to insure the directors of the Company against a liability to the extent permitted by the Corporations Act 2001.

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.

Shares Under Option

There were no unissued ordinary shares of the Company under option outstanding at the date of this report other than as set out in this report.

Shares Issued on the Exercise of Options or Achievement of Performance Rights

There were no ordinary shares of the Company issued on the exercise of options or on achievement of performance right during the period ended 31 December 2023 and up to the date of this report.

Legal Proceedings

The Company was not a party to any legal proceedings during the period.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

Environment Regulation

The Company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the period under review and up until the date of this report.

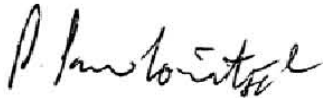
Auditor

Stantons International Audit and Consulting Pty Ltd were appointed in accordance with Section 327 of the Corporations Act 2001.

Auditor's Declaration of Independence

The auditor's independence declaration as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

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



Peter Pawlowitsch
Director
Perth, 30 April 2024

	Statement Of Profit Or Loss And Other Comprehensive Income
Canada Future Metals Pty Ltd	For The Period Ended 31 December 2023

	<u>Note</u>	2023	No Comparative
		\$	\$
Revenue		-	-
Expenses			
Share based expense		16,616	
Other expenses		703	-
Loss before income tax expense		17,319	-
Income tax expense	2	-	-
Net loss for the year		17,319	-
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
		-	
Total comprehensive loss attributable to the members of Canada Future Metals Pty Ltd		17,319	-

The accompanying notes form part of these financial statements.

	<u>Note</u>	<u>2023</u>	<u>No Comparative</u>
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	56,465	-
Trade and other receivables		-	-
Total Current Assets		56,465	-
Non Current Assets			
Exploration licenses	5	242,833	-
Other		-	-
Total Non Current Assets		242,833	-
Total Assets		299,298	-
LIABILITIES			
Current Liabilities			
Trade and other payables	6	-	-
Total Current Liabilities		-	-
Total Liabilities		-	-
Net Assets		299,298	-
EQUITY			
Issued capital	8(a)	300,001	-
Reserves (Share based payments)	8 (c)	16,616	-
Accumulated losses	7	(17,319)	-
Total Equity		299,298	-

The accompanying notes form part of these financial statements.

	Issued Capital	Reserves	Accumulated Losses	Total
	\$		\$	\$
2023				
Company formation 26 June 2023	1	-	-	1
Issue of shares	30,000,000	-	-	100,000
Acquisition of licenses	9,999,999	-	-	200,000
Options Reserves	-	16,616	-	16,616
Total comprehensive loss for the year	-	-	17,319	17,319
Balance at 31 December 2023	40,000,000	16,616	17,319	299,298

The accompanying notes form part of these financial statements.

	<u>Note</u>	2023	No Comparative
		\$	\$
Cash flows from operating activities			
Payments to suppliers		(703)	-
Net cash outflows(used in) operating activities	4(a)	(703)	-
Cash flows from investing activities			
Exploration & Licenses		(42,833)	-
Other		-	-
Net cash outflows (used in) investing activities		(42,833)	-
Cash flows from financing activities			
Equity raising		100,001	-
Net cash outflows used in financing activities		100,001	-
Net increase in cash held		56,465	-
Cash at beginning of the Period		-	-
Cash at end of the Period	4	56,465	-

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

Canada Future Metals Pty Ltd is a propriety limited company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Company are described in the Directors' Report.

The financial report was authorised for issue on 29 April 2024 by the director of the Company.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial report is a general purpose financial report which 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*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to pay its debts as and when they become due and payable.

At balance date the Company had current assets of \$299,298 including total cash of \$56,465, and current liabilities of \$Nil and had incurred a net loss of \$17,319 in the period. In addition, the Company has an unfulfilled expenditure requirement under its exploration licences of \$62,300 for the next 12 months at balance date.

The Company is in the process of being sold to AFW and AFW is planning exploration activities on its licences and has budgeted for those amounts that the financial position of the Company and AFW allows.

The Directors have reviewed the cash flow forecast for the next twelve months including consideration of the unfulfilled expenditure requirement and other committed expenses and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. If for any reason, the Company is unable to continue as a going concern, then this could have an impact on the Company's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

(c) New Accounting Standards for Application in Current and Future Periods

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

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 31 December 2023.

(d) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(e) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

(f) Income Tax

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

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

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

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1. Summary of Significant Accounting Policies (Continued)**(g) Other Taxes**

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

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which 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 cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(h) 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.

(i) Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(j) Trade and Other Receivables

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

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

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

1. Summary of Significant Accounting Policies (Continued)**(k) Investments and Other Financial Assets**

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

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

Financial assets at fair value through profit or loss

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

Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

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

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

(l) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

1. Summary of Significant Accounting Policies (Continued)**(m) 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, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(n) Significant Accounting Estimates and Judgments

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. The resulting accounting judgements and estimates will seldom equal the related actual results. There have been no judgements, estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

	2023	No Comparative
	\$	\$
2. Income Tax		
(a) Income tax expense		
The income tax expense for the year differs from the prima facie tax as follows:		
Loss for the year	-	-
Prima facie income tax (benefit) @ 25%	-	-
Tax effect of non-deductible/(non-assessable) items	-	-
Deferred tax assets not brought to account	-	-
Total income tax expense	-	-
(b) Deferred tax assets		
Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(e) occur:	-	-

There are no franking credits available to the Company.

3. Auditors' Remuneration

The auditor of Canada Future Metals Pty Ltd is Stantons International Audit and Consulting Pty Ltd.

Amounts, received or due and receivable by Stantons for:

- audit services*	-	-
- other non-audit services	-	-
	-	-

*The Company engaged the auditors in FY24 thus the audit fee for FY23 was not invoiced at time of preparation of financials statements

	2023	No Comparative
	\$	\$
4. Cash and Cash Equivalents		
Cash at bank	56,465	-
Cash at bank earns interest at floating rates based on daily bank deposit rates.		
(a) Reconciliation of profit/(loss) for the year to net cash flows from operating activities:		
Loss for the year	-	-
Changes in assets and liabilities		
Payables	-	-
GST payable/receivable	-	-
Net cash flows used in operating activities	-	-
(b) Non-cash financing and investing activities		
Changes in assets and liabilities		
Acquisition of licenses	200,000	-
Total non-cash financing and investing activities	200,000	-
5. Exploration		
Acquisition	212,000	
Exploration	30,833	-
	242,833	-
6. Trade and Other Payables		
Current		
Trade and other payables	-	-

Terms and conditions relating to the above financial instruments:

- Trade payables are non-interest bearing and are normally settled on 30 day terms.
- Due to the short term nature of trade payable and accruals, their carrying value is assumed to approximate their fair value.

	2023	No Comparative
	\$	\$
7. Equity – Retained Profits		
Retained profits at the beginning of the year	-	-
Loss after income tax expenses for the year	17,319	-
Retained profits at the end of the year	17,319	-

8. Issued Capital**(a) Issued and paid up capital**

Ordinary shares – on Company formation	1	-
Ordinary shares – Issue of Shares	100,000	-
Ordinary shares – Acquisition of Exploration Asset	200,000	-
Total	300,001	-

(b) Movement in ordinary shares on issue

	Issue Price	No. of Shares	\$
Company formation	1.00	1	1
Issue of Shares 15 Sept 2023	0.0033	30,000,000	100,000
Acquisition 29 Sept 2023	0.02	9,999,999	200,000
Balance at the end of the period		40,000,000	300,001

(c) Share options

Issue of Options 15 Sept 2023 exercise price \$0.025 expiry 31/12/2026	18,000,000	16,616
Balance at the end of the period	18,000,000	16,616

(d) Performance shares

Acquisition 29 Sept 2023	9,999,999	-
Balance at the end of the period	9,999,999	-

The performance shares will convert on a 1:1 basis into shares on the Company announcing:

- i. an intersection of at least 10m from drilling, horizontal trenching or channel sampling at no less than 1% Cu or equivalent (where equivalent metals are Au, Pb, Zn, Ag, Co, Ba, V, F, Sr) at the Fairfield Project; or
- ii. an intersection of at least 10m from drilling, horizontal trenching or channel sampling at no less than 1% TREO or equivalent (where equivalent metals are Nb, P, Cu, Au, Pt, Pd) at the Fintry Project, by 31 December 2025 as verified by an independent competent person.

Due to the uncertain nature of exploration activities the Company have assessed that the conditions are not likely to be achieved as at 31 December 2023, however this will be re evaluated in future periods once the Applflow acquisition is completed.

8. Issued Capital (Continued)**(e) Terms and conditions of issued capital**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(f) Capital management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year

9. Commitments

The Company had no commitments for expenditure outside the ordinary course of business as at 31 December 2023.

10. Contingent Liabilities and Assets**Contingent liabilities**

The Company has no material contingent liabilities as at reporting date.

Contingent assets

The Company has no material contingent assets as at reporting date.

11. Related Party Transactions**(a) Parent entity**

Canada Future Metals Pty Ltd is the parent entity.

(b) Subsidiaries

The Company does not have any subsidiaries.

(c) Key management personnel

The director of the Company is considered to be the only key management personnel of the Company.

There were no transactions with key management personnel during the current or previous year.

12. Financial Risk Management

The Company's principal financial instruments comprise receivables, payables, loans, and cash. The Company manages its exposure to key financial risks in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Company does not speculate in the trading of derivative instruments. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

Risk Exposures and Responses

Interest Rate Risk

The Company's exposure to risks of changes in market interest rates relates primarily to the Company's cash balances. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Company has no variable interest rate bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits

At balance date, the Company did not have any financial assets exposed to variable interest rates.

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available credit lines.

The Company manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise deposits with banks and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the Company's maximum exposure to credit risk in relation to those assets.

The Company does not hold any credit derivatives to offset its credit exposure.

12. Financial Risk Management (Continued)

The Company trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Company's policy to secure its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Company does not have a significant exposure to bad debts.

The Company's cash deposits are held with a major Australian banking institution otherwise, there are no significant concentrations of credit risk within the Company.

The following table details the expected maturity of the Company's financial assets and liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 years \$
2023					
<i>Financial Assets:</i>					
Non-interest bearing	-	56,465	-	-	-
		56,465	-	-	-
<i>Financial Liabilities:</i>					
Non-interest bearing	-	-	-	-	-
		-	-	-	-

Capital Management Risk

Management controls the capital of the Company in order to maximise the return to shareholders and ensure that the Company can fund its operations and continue as a going concern.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the Company since the prior year.

Commodity Price and Foreign Currency Risk

The Company's exposure to price and currency risk is minimal.

Fair Value

The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

13. Events Subsequent to the Period End

On or about 12 March 2024 pursuant to an Acquisition Agreement, the shareholders of the Company have agreed to be acquired by Applyflow Limited (AFW) subject to the satisfaction or waiver of condition precedent. A summary of the key terms of the Acquisition Agreement is set out below.

Consideration

On completion of the Acquisition, AFW will issue 4,000,000 fully paid ordinary shares in the capital of AFW (Shares), 1,800,000 options and 1,000,000 performance shares to the shareholders of Canada Future Metals. The performance shares will convert on a 1:1 basis into shares of AFW, on announcing: (i) an intersection of at least 10m from drilling, horizontal trenching or channel sampling at no less than 1% Cu or equivalent (where equivalent metals are Au, Pb, Zn, Ag, Co, Ba, V, F, Sr) at the Fairfield Project; Fintry Complex Hecla-Kilmer Complex 8 or (ii) an intersection of at least 10m from drilling, horizontal trenching or channel sampling at no less than 1% TREO or equivalent (where equivalent metals are Nb, P, Cu, Au, Pt, Pd) at the Fintry Project, by 31 December 2025 as verified by an independent competent person.

Conditions Precedent

Completion of the Acquisition is subject to and conditional on the following conditions precedent (Conditions Precedent) being satisfied or waived:

- (a) AFW obtaining all necessary shareholder approvals as are required (including under the Buyer's constitution, the Listing Rules and the Corporations Act) to give effect to the of the Acquisition and Re-Compliance (together, the Transaction) including the Consolidation (see below) and the change of name of the buyer to FMR Resources Ltd;
- (b) AFW receiving applications and subscription funds for the full amount of the Public Offer (see below);
- (c) AFW conducting technical, financial and legal due diligence on the Company and its assets and being satisfied with the results of such due diligence in its absolute discretion;
- (d) following shareholder approval of the Consolidation, AFW undertaking the Consolidation;
- (e) AFW receiving a conditional listing letter from the ASX for the re-compliance of AFW, on terms which are capable of satisfaction;
- (f) disposal by AFW of the existing business of AFW on terms reasonably acceptable to the shareholders of Canada Future Metals; and
- (g) the shareholders of the Company conducting financial and legal due diligence on AFW and its assets and being satisfied with the results of such due diligence in its absolute discretion.

Other than as mentioned in this Section no matters or circumstances have arisen, since the end of the financial year, 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 subsequent financial years, other than as outlined in the review of operations.

No other matters or circumstances have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

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 31 December 2023 and of its performance for the financial year 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.

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

On behalf of the director



Peter Pawlowitsch
Director

Perth, 30 April 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CANADA FUTURE METALS PTY LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Canada Future Metals Pty Limited ("the Company") which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year 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 is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended; 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 auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Relating to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 1(b) to the financial statements, the financial statements have been prepared on the going concern basis. At 31 December 2023, the Company had cash and cash equivalents of \$56,465, and incurred a loss after income tax of \$17,319.

The ability of the Company to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Company completing its sale to Appyflow Limited and/or successfully exploiting its mineral assets. In the event that the Company is not successful in completing its sale to Applyflow or successfully exploiting its mineral assets, the Company may not be able to meet its liabilities as and when

they fall due and the realisable value of the Company's current and non-current assets may be significantly less than book values.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion 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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may



cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director
West Perth, Western Australia
30 April 2024



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30 April 2024

Board of Directors
Canada Future Metals Pty Limited
171 Carr Place
Leederville, WA 6007

Dear Directors

RE: CANADA FUTURE METALS PTY LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Canada Future Metals Pty Limited.

As Audit Director for the audit of the financial statements of Canada Future Metals Pty Limited for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

