

# Focus Exploration Pty Ltd ACN 622 437 361

## DIRECTORS' REPORT

Your directors present their report on the company for the period commencing on the date of incorporation of the company, 24 October 2017, to 30 June 2018.

### Directors

The names of the directors in office at any time during, or since the end of, the period are:

Stuart Rechner

Neil Colin Chalmers

These directors have been in office since the incorporation of the company to the date of this report unless otherwise stated.

### Review of Operations

The loss of the company for the period after providing for income tax amounted to \$1,559.

Minimal activity has occurred in the company to date, comprising mostly initial review of possible exploration land.

### Significant Changes in the State of Affairs

Aside from incorporation, no significant changes in the company's state of affairs occurred during the period.

### Principal Activities

The principal activities of the company during the period was researching and investigating possible exploration land for acquisition.

No significant change in the nature of these activities occurred during the period.

### Events Subsequent to the End of the Reporting Period

On 22 March 2019, Exploration Licence EL31710 was granted to the company by the Government of the Northern Territory.

On 21 February 2019, 25 ordinary shares with a par value of \$1.00 were issued.

The entity has continued to incur expenditure with the expenditure being settled by the Directors, and adding to the Directors' loan account.

No other matters or circumstances have arisen since the end of the period which significantly affect or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

### Likely Developments and Expected Results of Operations

It is expected exploration land will be committed to within Australia.

### Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### Dividends

No Dividends paid or declared since incorporation.

### Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the period and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the period as a result of the exercise of an option over unissued shares or interests.

### Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of the company.

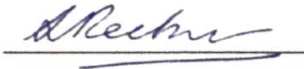
DIRECTORS' REPORT

**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.

This directors' report is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in dark ink, appearing to read 'Stuart Rechner', is written over a horizontal line.

Stuart Rechner

Dated this 23<sup>rd</sup> day of April 2019

## FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

	2018
<b>PROFIT OR LOSS</b>	<b>\$</b>
Administration expenses	1,559
(Loss) before income tax expense	(1,559)
Income tax expense	-
(Loss) for the period	(1,559)
<b>OTHER COMPREHENSIVE INCOME</b>	
Total other comprehensive income	-
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>	<b>(1,559)</b>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018

	Note	2018 \$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents		100
Trade and other receivables	2	160
<b>TOTAL CURRENT ASSETS</b>		<b>260</b>
<b>TOTAL ASSETS</b>		<b>260</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Directors' loans	3	1,719
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,719</b>
<b>TOTAL LIABILITIES</b>		<b>1,719</b>
<b>NET (LIABILITIES)</b>		<b>(1,459)</b>
<b>EQUITY</b>		
100 fully paid ordinary shares		100
Retained deficit	4	(1,559)
<b>SHAREHOLDER DEFICIT</b>		<b>(1,459)</b>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2018

	2018
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(1,719)
Net cash expended in operating activities	(1,719)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash used in investing activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Share capital paid-in upon incorporation	100
Proceeds from borrowings from Director	1,719
Net cash used in financing activities	1,819
Net increase in cash held	100
Cash and cash equivalents at incorporation	-
CASH AND CASH EQUIVALENTS AT 30 JUNE 2018	100

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors' have prepared the financial statements for the period from the date of incorporation, 24 October 2017, to 30 June 2018. As this is the first accounting period of the company, no comparative financial information is shown. The financial statements are prepared on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

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

a. **Income Tax**

The income tax expense (income) for the period comprises current income tax expense (income). The company does not recognise deferred tax assets or liabilities.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the Australian Tax Office (ATO).

b. **Trade and Other Receivables**

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

c. **Borrowings**

Borrowings are initially measured their fair value and subsequently measured at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Otherwise, borrowing costs are expensed to Profit or Loss.

d. **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. Bank overdrafts are shown within current liabilities on the statement of financial position.

e. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables stated are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **Exploration and Evaluation Expenditure**

Expenditures incurred in the exploration for and evaluation of mineral resources are expensed as incurred, with no amounts deferred to the Statement of Financial Position.

g. **Ordinary Shares**

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.

h. **Going Concern**

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

The net loss after income tax for the company for the period was \$1,559. As at 30 June 2018, the company has a net liability position of \$1,459 and cash and cash equivalent of \$100. There is no realistic possibility of revenue generation; therefore, the directors expect that the company will continue to sustain operating cash outflows for the foreseeable future.

The ability of the Group to continue as a going concern is dependent upon:

- The continued financial support from its creditor. The only liability is to the director and shareholder, Stuart Rechner.
- The ability to attract investors willing to fund exploration and other operating costs through equity or debt transactions.

These conditions among others indicate a material uncertainty over the company's status as a going concern.

The Directors have prepared the financial statements on the basis that the company is a going concern, because the company is currently undertaking negotiations with Bronson Group Limited. As a part of these negotiations, investors have provided Bronson Group Limited \$165,000 through convertible notes and committed and additional \$85,000 in anticipation of a transaction, in order to fund exploration of the tenements held by the company. The directors expect that the company will have the ability to access funding through Bronson Group Limited. In addition, Mr Rechner has waived repayment of amounts owed to him until such time as the company is in a financial position to repay the amount.

Should the company be unable to manage the inherent uncertainties referred to above, it may be unable to continue as a going concern, and therefore be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts that differ from those presented in the financial statements. No adjustments have been made to the recorded amounts of assets and liabilities that may be necessary should the entity not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: TRADE AND OTHER RECEIVABLES

	<b>2018</b>
	<b>\$</b>
CURRENT	
GST	160
	<u>160</u>

NOTE 3: BORROWINGS

	<b>2018</b>
	<b>\$</b>
Director Loan – S Rechner	1,719
	<u>1,719</u>

The borrowings do not incur interest and are repayable on demand.

NOTE 4: RETAINED DEFICIT

	<b>2018</b>
	<b>\$</b>
Balance at incorporation	-
Net (loss) attributable to members of the company	(1,559)
Retained deficit at the end of the period	<u>(1,559)</u>

NOTE 5: SUBSEQUENT EVENTS

On 22 March 2019, Exploration Licence EL31710 was granted to the company by the Government of the Northern Territory.

On 21 February 2019, 25 ordinary shares with a par value of \$1.00 were issued.

The entity has continued to incur expenditure with the expenditure being settled by the Directors, and adding to the Directors' loan account.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.



**DIRECTORS' DECLARATION**

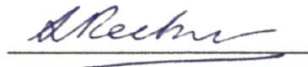
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 3 to 8 present fairly the company's financial position as at 30 June 2018 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



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Stuart Rechner

Dated this 23<sup>rd</sup> day of April 2019

## INDEPENDENT AUDITOR'S REPORT

To the members of Focus Exploration Pty Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Focus Exploration Pty Ltd (the Entity), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2018 and of its financial performance and its cash flows for the period then ended in accordance with the basis of accounting described in Note 1.

#### 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 Entity in accordance with 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 related to going concern

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

#### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

#### Auditor's responsibilities for the audit of the Financial Report

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

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

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Jarrad Prue

Director

Perth, 23 April 2019

# Focus Exploration Pty Ltd ACN622 437 361

## DIRECTORS' REPORT

Your directors present their report on the company for the financial half year ended 31 December 2018.

### Directors

The names of the directors in office at any time during, or since the end of the half-year are:

Stuart Rechner

Neil Colin Chalmers

These directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Review of Operations

The loss of the company for the half year after providing for income tax amounted to \$55,263.

Minimal activity has occurred in the half year. Review of exploration land was completed.

### Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the half year.

### Principal Activities

The principal activities of the company during the period was researching and investigating possible exploration land for acquisition.

No significant change in the nature of these activities occurred during the half year.

### Events Subsequent to the End of the Reporting Period

On 22 March 2019, Exploration Licence EL31710 was granted to the company by the Government of the Northern Territory.

On 21 February 2019, 25 ordinary shares with a par value of \$1.00 were issued.

No other matters or circumstances have arisen since the end of the period which significantly affect or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

### Likely Developments and Expected Results of Operations

It is expected continued exploration of EL31710 will result in a greater knowledge of drilling targets.

### Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### Dividends

No Dividends paid or declared since incorporation.

### Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the period and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the period as a result of the exercise of an option over unissued shares or interests.

### Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of the company.

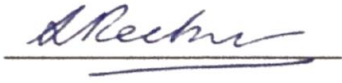
### Proceedings on Behalf of the Company

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.

**Focus Exploration Pty Ltd ACN622 437 361**

This directors' report is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read 'Stuart Rechner', is written over a horizontal line.

Director: Stuart Rechner

Dated this 23rd day of April 2019

## Financial Report for the Half Year Ended 31 December 2018

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

#### FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	31.12.18	31.12.17
<b>PROFIT OR LOSS</b>	<b>\$</b>	<b>\$</b>
Administration expenses	263	1,559
Exploration Expenses	55,000	-
(Loss) for the period	(55,263)	(1,559)
<b>OTHER COMPREHENSIVE INCOME</b>		
Total other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>	<b>(55,263)</b>	<b>(1,559)</b>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018

	Note	31.12.18 \$	31.12.17 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents		100	100
Trade and other receivables	2	5,660	730
<b>TOTAL CURRENT ASSETS</b>		<b>5,760</b>	<b>830</b>
<b>TOTAL ASSETS</b>		<b>5,760</b>	<b>830</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Directors' loans	3	62,482	2,289
<b>TOTAL CURRENT LIABILITIES</b>		<b>62,482</b>	<b>2,289</b>
<b>TOTAL LIABILITIES</b>		<b>62,482</b>	<b>(2,289)</b>
<b>NET (LIABILITIES)</b>		<b>(56,722)</b>	<b>(1,459)</b>
<b>EQUITY</b>			
Issued capital:			
100 fully paid ordinary shares		100	100
Retained deficit	4	(56,822)	(1,559)
<b>SHAREHOLDER DEFICIT</b>		<b>(56,722)</b>	<b>(1,459)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(60,763)	(2,289)
Net cash expended in operating activities	(60,763)	(2,289)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash used in investing activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share capital paid-in upon incorporation	-	100
Proceeds from borrowings from Director	60,763	2,289
Net cash inflow from financing activities	60,763	2,389
Net increase in cash held	-	100
Cash and cash equivalents at beginning of the period	100	-
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>100</b>	<b>100</b>

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors' have prepared the financial statements for the period from 1 July 2018 to 31 December 2018. The comparative financial information is shown is the period from the date of incorporation, 24 October 2017 to 31 December 2017. The financial statements are prepared on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

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

a. **Income Tax**

The income tax expense (income) for the period comprises current income tax expense (income). The company does not recognise deferred tax assets or liabilities.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the Australian Tax Office (ATO).

b. **Trade and Other Receivables**

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

c. **Borrowings**

Borrowings are initially measured their fair value and subsequently measured at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Otherwise, borrowing costs are expensed to Profit or Loss.

d. **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. Bank overdrafts are shown within current liabilities on the statement of financial position.

e. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables stated are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **Exploration and Evaluation Expenditure**

Expenditures incurred in the exploration for and evaluation of mineral resources are expensed as incurred, with no amounts deferred to the Statement of Financial Position.

g. **Ordinary Shares**

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.

h. **Going Concern**

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

The net loss after income tax for the company for the period was \$55,263. As at 31 December 2018, the company has a net liability position of \$56,722 and cash and cash equivalent of \$100. There is no realistic possibility of revenue generation; therefore, the directors expect that the company will continue to sustain operating cash outflows for the foreseeable future.

The ability of the Group to continue as a going concern is dependent upon:

- The continued financial support from its creditor. The only liability is to the director and shareholder, Stuart Rechner.
- The ability to attract investors willing to fund exploration and other operating costs through equity or debt transactions.

These conditions among others indicate a material uncertainty over the company's status as a going concern.

The Directors have prepared the financial statements on the basis that the company is a going concern, because the company is currently undertaking negotiations with Bronson Group Limited. As a part of these negotiations, investors have provided Bronson Group Limited \$165,000 through convertible notes and committed and additional \$85,000 in anticipation of a transaction, in order to fund exploration of the tenements held by the company. The directors expect that the company will have the ability to access funding through Bronson Group Limited. In addition, Mr Rechner has waived repayment of amounts owed to him until such time as the company is in a financial position to repay the amount.

Should the company be unable to manage the inherent uncertainties referred to above, it may be unable to continue as a going concern, and therefore be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts that differ from those presented in the financial statements. No adjustments have been made to the recorded amounts of assets and liabilities that may be necessary should the entity not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: TRADE AND OTHER RECEIVABLES

	31.12.18	31.12.17
	\$	\$
CURRENT		
GST	5,660	160
Other debtors	-	570
	<u>5,660</u>	<u>830</u>

NOTE 3: BORROWINGS

	31.12.18	31.12.17
	\$	\$
Director Loan – S Rechner	62,482	2,289
	<u>62,482</u>	<u>2,289</u>

The borrowings do not incur interest and are repayable on demand.

NOTE 4: RETAINED DEFICIT

	31.12.18	31.12.17
	\$	\$
Balance at the beginning of the period	(1,559)	-
Net (loss) attributable to members of the company	(55,263)	(1,559)
Retained deficit at the end of the period	<u>(56,822)</u>	<u>(1,559)</u>

NOTE 5: SUBSEQUENT EVENTS

On 22 March 2019, Exploration Licence EL31710 was granted to the company by the Government of the Northern Territory.

On 21 February 2019, 25 ordinary shares with a par value of \$1.00 were issued.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

**DIRECTORS' DECLARATION**

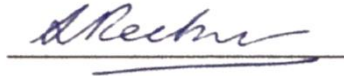
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 3 to 8 present fairly the company's financial position as at 31 December 2018 and its performance for the half-year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

A handwritten signature in blue ink, appearing to read 'Stuart Rechner', is written over a horizontal line.

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Stuart Rechner

Dated this 23rd day of April 2019

## INDEPENDENT AUDITOR'S REPORT

To the members of Focus Exploration Pty Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Focus Exploration Pty Ltd (the Entity), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 December 2018 and of its financial performance and its cash flows for the period then ended in accordance with the basis of accounting described in Note 1.

#### 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 Entity in accordance with 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 related to going concern

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

#### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 management and those charged with governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**Auditor's responsibilities for the audit of the Financial Report**

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

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

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Jarrad Prue

Director

Perth, 23 April 2019