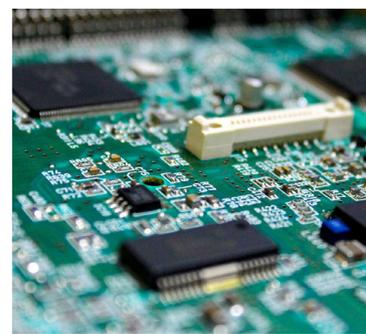
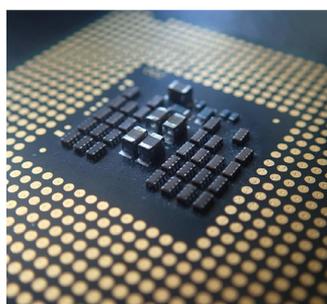




ALLUP SILICA



ANNUAL REPORT

For the Year Ending 30 June 2022

Allup Silica Limited

ABN 47 163 173 224

18 Kings Park Road
West Perth, WA 6005
T: 1300 SILICA
E: team@allupsilica.com

Dear Fellow Shareholder,

I am pleased to bring you this inaugural Chairman's Report after a successful listing of your Company on the ASX in May of this year. Whilst the Capital Markets have witnessed extreme volatility since the company listed on the ASX in May, your Board sees strong growth in the demand for silica sand and the products manufactured from it.

The demand outlook for technology focused minerals, including silica, is highly encouraging. The European governments have acknowledged the need to secure domestic critical minerals supply, whilst the Australian and US governments have also expanded their list of critical minerals this year to include silicon. Silica, the foundation of silicon, is recognised as an essential mineral for current and future technology and is now recognised as a vital mineral by many leading economies.

Silica is an essential ingredient for the manufacture of photo-voltaic cells in solar panels, fibre optics, silicon chips, mobile phone and tablet glass screens and more typical glass uses, yet the future supply outlook remains constrained. Hence, the Board of Allup see the importance of advancing our key silica projects towards development.

Post listing on the ASX, Allup has commenced exploration programs at several of its key West Australian based tenements with a view to identifying the best prospects to advance. By selecting our Southwest, Esperance and Argyle projects with nearby ports, the Board believes that Allup has a considerable advantage as a new industry entrant. We are confident we have the right assets, in the right places at the right time for Shareholders to see growth in their investment in this Company. The Company has a diversified portfolio of exploration assets, reducing risk and increasing opportunities for success.

Subsequent to the end of the financial year, and now strengthened with the funds raised in May 2022, Allup has applied for new tenements to expand the project portfolio. At Sparkler, results are pending as this Annual Report comes to print. Shareholders indeed have a lot to look forward to, as Allup advances toward Project development at one or more of its projects.

Your Company looks forward to growing to become a first-class supplier of high purity silica sands to the world, and the Board and management are committed to the exciting work program ahead.

Yours faithfully



Andrew Haythorpe
Chairman



HIGHLIGHTS
Sparkler Silica Sand Project

- Stage 1 exploration program completed
- Excellent metallurgical results with high purity SiO₂ areas grading up to 99.8% SiO₂ and low iron content
- Updated JORC Inferred Mineral Resource Estimate (MRE) with 37 million tonnes (0.106mm-0.6mm) is potentially suitable for high quality glass manufacturing
- Provision-of-Works approved for Stage 2 exploration program at Sparkler A
- Provision-of-Works approved for Stage 1 exploration program at Sparkler B and Sparkler C
- Further metallurgical work being undertaken to improve processing results by increasing SiO₂ content and reducing impurities, especially Fe₂O₃ to >100ppm.

Pink Bark Silica Sand Project

- Initial surface sample results encouraging
- Identified 6km strike length with approx. 29sqkm Target Area
- Provision-of-Works approved for Stage 1 exploration program at Pink Bark

Dune Buggy Silica Sand Project

- Heritage Impact Assessment Notice submitted
- Provision-of-Works submitted for Stage 1 exploration program at Dune Buggy
- Various Testwork underway to investigate potential processing techniques for this type of sand

Cabbage Spot Silica Sand Project

- Provision-of-Works approved for Stage 1 exploration program at Cabbage Spot
- Heritage Impact Assessment Notice submitted

PROJECTS OVERVIEW


Figure 1. Map of Allup Silica Projects

Silica sand exploration company, Allup Silica (“**APS**”, “**Allup**” or the “**Company**”) is pleased to provide the Company’s Annual Report for the Year ending 30 June 2022.

Allup Silica commenced trading on the Australian Securities Exchange (**ASX**) on the 2nd of May 2022, following completion of a fully subscribed IPO which raised \$5 million through the issue of 25,000,000 shares at an issue price of \$0.20 per share.

Allup is focused on progressing the development of its tenement locations. The earliest project is the Sparkler location (previously known as Unicup) and activities include ongoing exploration and updating of the current JORC inferred minerals resource estimate to higher levels of JORC compliance and the exploration of areas of interest at Sparkler B and Sparkler C.

At Sparkler A, chemical analysis and metallurgical reporting has improved the understanding of the silica sand deposit, resulting in the release of an updated inferred mineral resource estimate.

At the Company’s Pink Bark, Cabbage Spot and Dune Buggy projects, the main activities relate to the permitting and approvals required for the future exploration of these silica sand projects. During the period, and in addition to the regulatory permitting authorities, the Company has also engaged with many project stakeholders including landowners, whether privately held or with Native Title parties.

The Company is now funded, and as the exploration and results of each of the projects become available, the potential of the commercial strategy for each will become clearer.

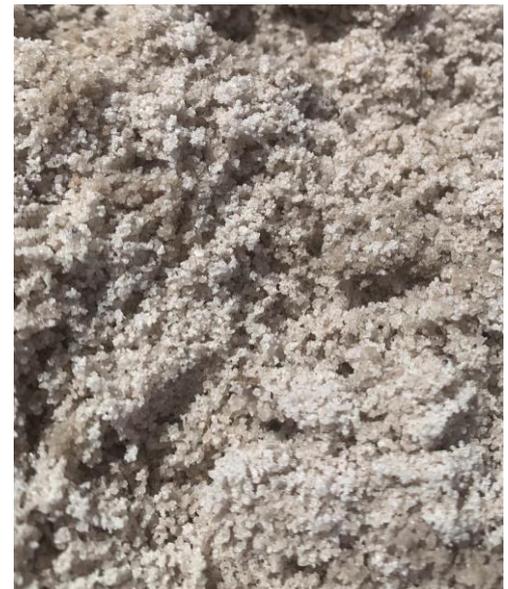


Figure 2. *Sample of Sand from Sparkler A*

COMMERCIAL STRATEGY

The Board has established a clear commercial strategy for the Company. This commercial strategy is based on the investigation of several project areas, each with its own set of logistics and port options. Currently, the Company has multiple projects in proximity to four Western Australian port locations: Wyndham, Bunbury, Albany, and Esperance. A further port location is also available at Darwin in the Northern Territory.

Risk Mitigation

If successful, this multiple projects/multiple ports strategy has the potential to reduce the risks associated with the numerous variables and statutory approvals required to transition from exploration to commercial production. Project risks include things such as environmental and permitting approvals, as well as logistical constraints such as port availability and transportation, processing costs and the price sold, plus many more.

Furthermore, the Company is exploring for multiple silica sand deposits within individual project locations and we believe this could help further mitigate localised risks.



Scale through Multiple Projects

Aside from risk reduction, this strategy may also have other advantages. One of which is the scale opportunity multiple projects in different locations could potentially achieve.

Regardless of the underlying deposit potential or the mineral resource size, the limiting factors to production output is more likely to be movement logistics and port and ship availability. These factors could potentially restrict the volumes achievable from projects to customers, regardless of the available resources.

Part of the commercial strategy is the theory of operating multiple mineral resource deposits in various and different locations, each with its own logistics and ports. While capacity constraints may still apply to each location, the theory is that by having multiple operations in different locations the Company can scale-up its production output and sell more to customers.

Project Variability

Each of the Company's project locations are different. Some depend on road transport, others rail, and some projects could potentially have a bespoke transfer system like an underground conveyor or pipeline. Some of the projects are located near ports that are very close to the Asia market, such as the Port of Wyndham, and others such as Esperance Port, are located much further away from those markets.

Each project has its own set of dynamics, and ultimately these will determine the economic viability or economic appeal of each project at that particular time.

It is our belief that this project variability indicates that the Company has the potential to be more opportunistic, meaning that a project may be more profitable in one location than in others, but when each is combined, the results of both are better for the Company.

PROCESSING SAND

The Company is searching for the type of silica sand that can be processed using existing and non-chemical (no acids) processing techniques. To this end, the Company has been working on several projects, with the objective of finding the best way to process the raw silica sand deposits to a higher purity specification.

This is not to say that the existing common processing techniques of attrition, gravity and magnetics are not working. As reported later in this Report, these current processing practices have produced results of up to 99.67% SiO₂, and between 80ppm to 120ppm iron content. This is just about finding better ways to achieve a lower contaminant and higher-quality silica sand product.

During this period, the Company has employed its own fulltime Chemical Engineer to work alongside the external chemical and metallurgical consultants to oversee these projects and to try and find better ways to process our silica sands to higher specifications. These projects are ongoing, and as with all research and development there is a risk of failure, as well as the possibility for success.

BUSINESS DEVELOPMENT ENGAGEMENT

During the period, the Company also engaged the services of an experienced Commercial Manager, whose primary role was to work with the Company in support of the landowner and community engagement activities. More recently however, this role has been expanded to include commercial activities, such as the engagement and development of international business relationships with prospective customers and partners.



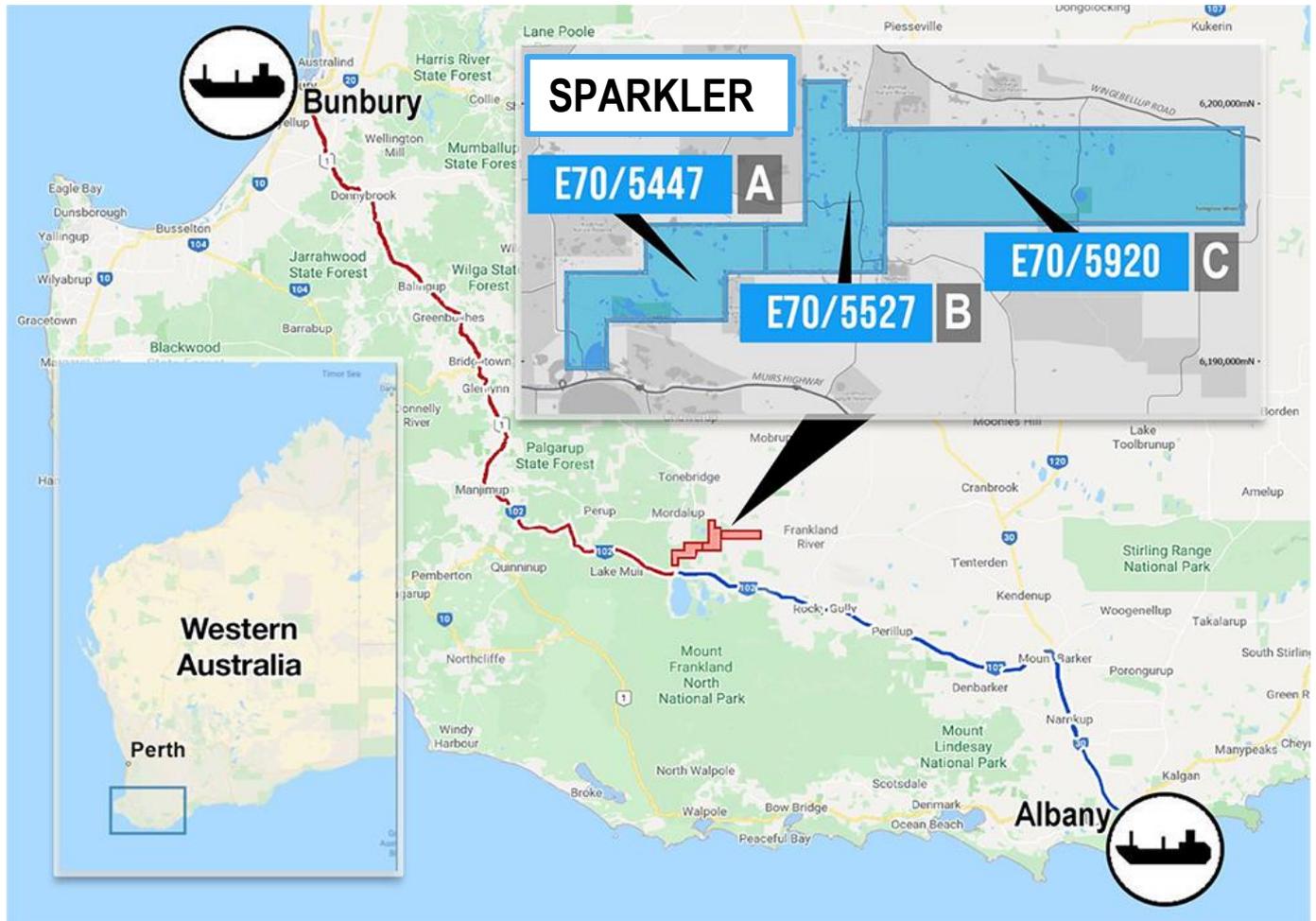
PROJECT ACTIVITIES
SPARKLER SILICA SAND EXPLORATION PROJECT


Figure 3. Location of Sparkler Silica Sands Project

General Project Overview

The Sparkler Silica Sand Exploration Project is the Company's maiden project and encompasses three granted exploration licences E70/5447 (Sparkler A), E70/5527 (Sparkler B) and E70/5920 (Sparkler C).

Sparkler is in the South-Western region of Western Australia roughly 160km from the Albany Port and has well-established infrastructure supporting agricultural and other primary industries in the region.





Figure 4. Aspect and sample of sand at Sparkler Silica Sand Project

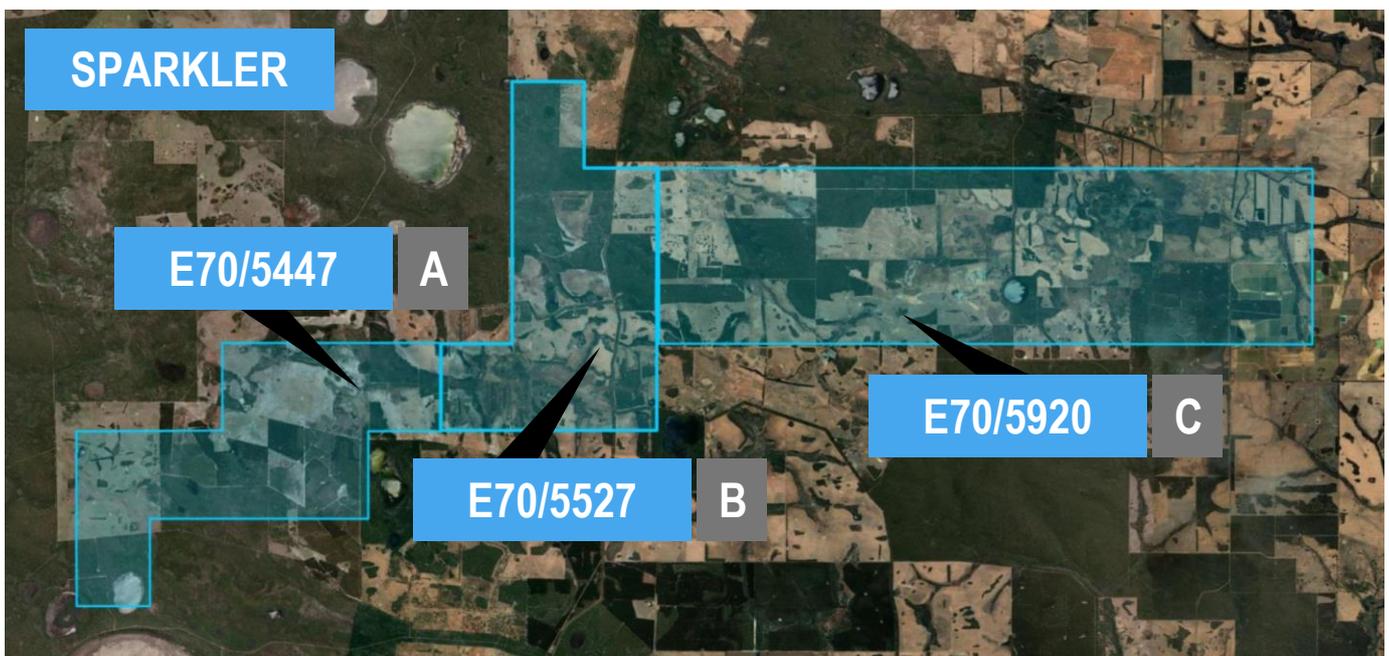


Figure 5. Tenements at Sparkler Silica Sands Project

The identified silica sand exploration areas are located on privately-owned land. A current access and compensation agreement is in place for the areas of interest. These areas are typically cleared pastoral land, or other areas that have previously been used for commercial plantation timber growth since being cleared.

Each area is accessed by excellent quality all-weather sealed highways and major roads, with access to the onsite tenement areas being readily accessible by a mix of sealed and gravel/sand access roads.

E70/5447 Sparkler A

Exploration to date consists of surface sampling and an initial drill program. The initial chemical analysis and metallurgical studies have been completed.

Inferred Mineral Resource Estimate Update

An independent, JORC compliant Inferred Minerals Resource Estimate (initially done October 2021) was calculated and recently updated (as announced 30 June 2022) based on the most recently available data and in accordance with the 2012 JORC Code guidelines.

Key highlights include:

- **37 million** inferred tonnes at **99.66% SiO₂** and **0.02% (200 ppm) Fe₂O₃** in sand fraction (0.106mm – 0.6mm). (Note: 0.106mm – 0.6mm suitable for high quality glass manufacturing).
- **25 million** inferred tonnes at **99.67% SiO₂** and **0.03% (300 ppm) Fe₂O₃** in coarse sand fraction (+ 0.6mm).

The updated Inferred Mineral Resource Estimate is as follows:

Size Fraction	Yield	Tonnes	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
In-situ resource		70,000,000	96.84	1.17	0.34	0.43	0.66
coarse sand +0.6mm	36.5%	25,000,000	99.67	0.06	0.03	0.04	0.09
sand 0.106mm - 0.6mm	52.9%	37,000,000	99.66	0.06	0.02	0.03	0.08
fine sand 0.045mm - 0.106mm	5.2%	4,000,000	97.70	0.17	0.41	1.04	0.25

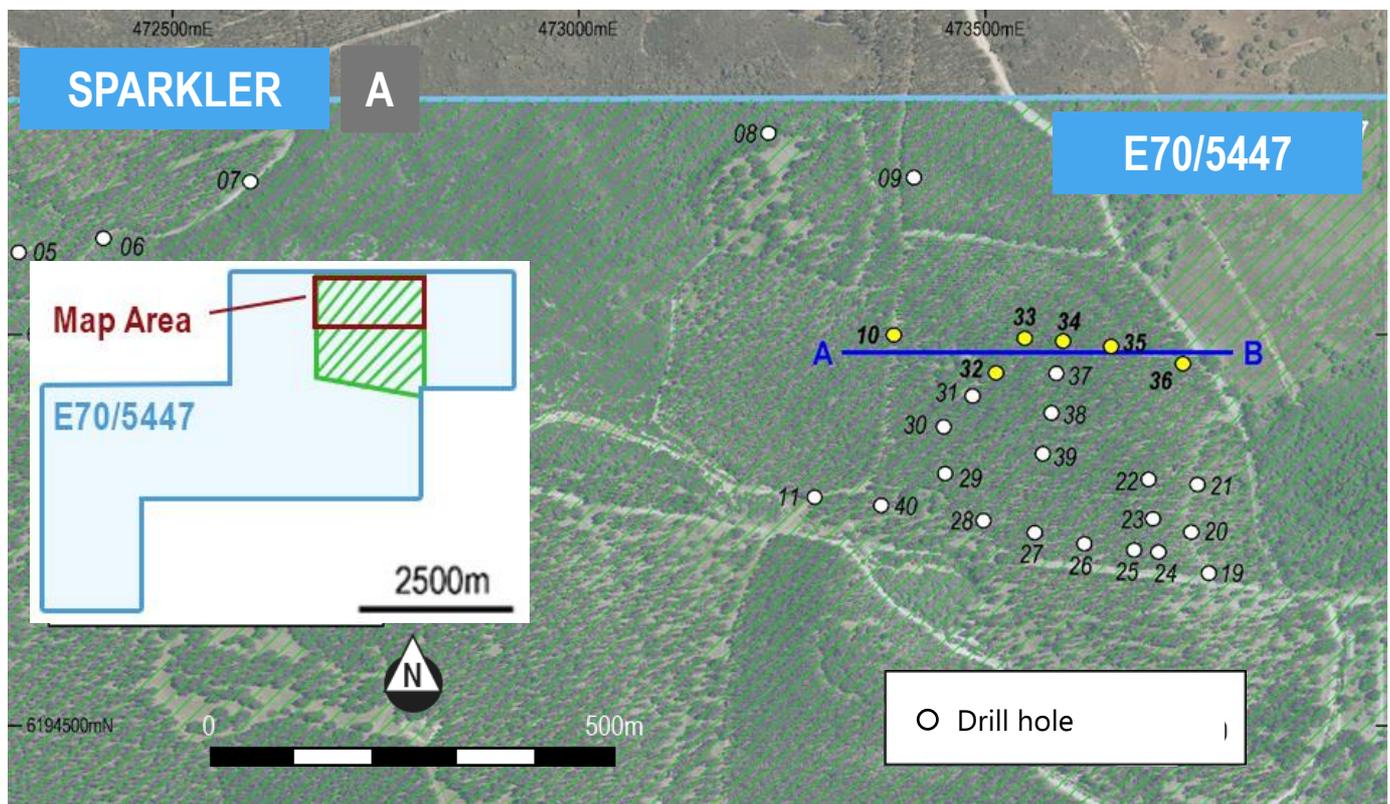


Figure 6. Sample map at Sparkler Silica Sands Project

Metallurgical Testwork Results

Sparkler A metallurgical testwork results (previously announced 16 May 2022) were done by Perth based Nagrom Metallurgical Laboratory, with the testwork results thereafter reviewed by metallurgical consultants Battery Limits.

Bulk samples were submitted for conventional metallurgical testwork consisting of wet screening, heavy liquid separation, attrition and screening, and magnetic separation. Results achieved from this initial round of testwork showed potential for a high quality silica sand product.

- Wet screening indicates (+0.106mm) fraction yield is between 88.7% and 90.5% and SiO₂ grades of **99.3% to 99.7%** and Fe₂O₃ levels of between 0.015% (150 ppm) and 0.16% (1600 ppm).
- Conventional testwork produced results of SiO₂ grades of **99.5% to 99.8%** and Fe₂O₃ levels of between 0.008% (80 ppm) to 0.029% (290 ppm).

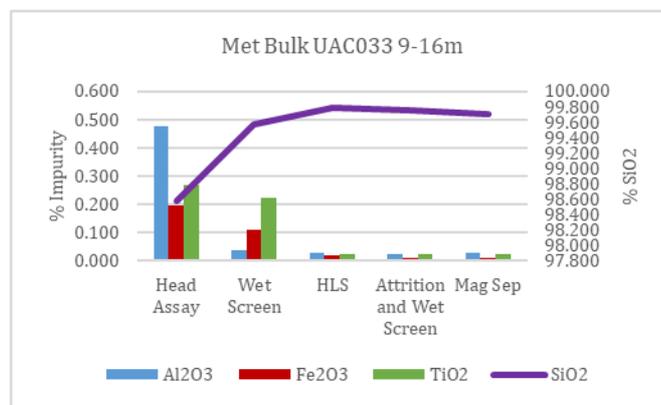
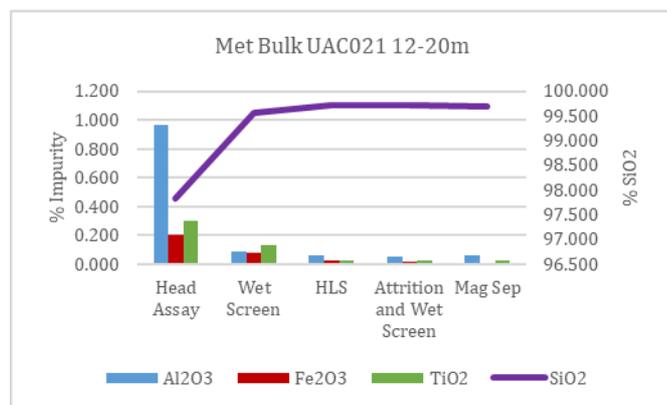
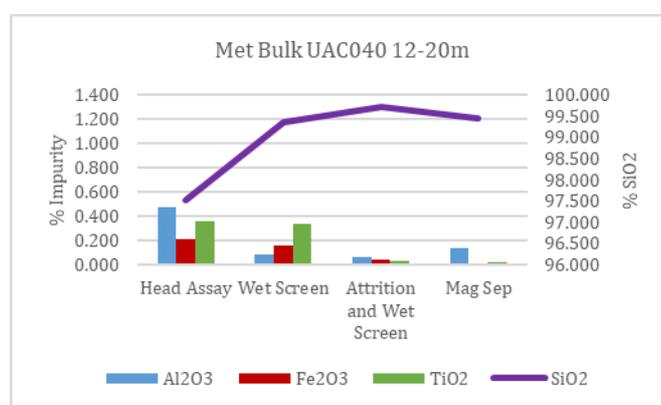
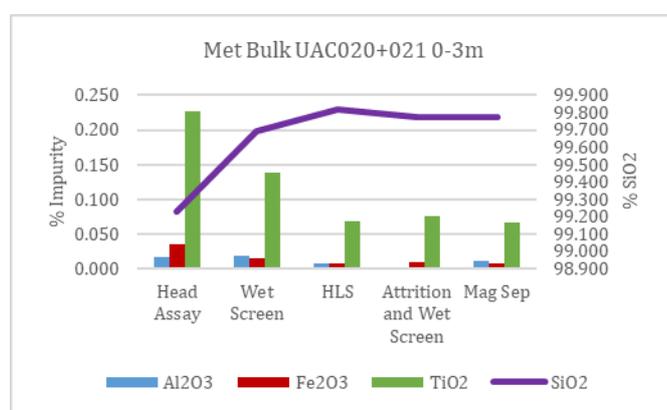


Figure 7. Silica sand samples from Sparkler Silica Sands Project

Metallurgical Testwork Results

The best grades recorded are listed below, with the highest result being 99.77% SiO₂ and 80 ppm content (0.106mm – 0.6mm) at 0-3m in location UAC020 and UAC021.

Drillhole Sample	Size Fraction	SiO ₂ %	Fe ₂ O ₃ ppm
UAC020 and 021 0-3m	0.106mm – 0.6mm	99.774	80
UAC021 12-20m	0.106mm – 0.6mm	99.680	110
UAC033 9-16m	0.106mm – 0.6mm	99.709	290
UAC040 12-20m	0.106mm – 0.6mm	99.465	120



Further Intended Activities

A Provision-of-Works (PoW) has been submitted and is pending approval for Stage 2 on-ground exploration activities to continue. Activities include additional infill drilling, chemical analysis and further bulk sampling works including expanded and detailed metallurgical testwork aimed to reduce the iron content and increase the final purity of the processed product.

The Company estimates, that subject to receiving the permitting approval, activities may be conducted during the last quarter 2022 and the first quarter 2023, with results being available and released on or around the second quarter 2023.

E70/5227 Sparkler B
Aerial Drone Survey

An aerial drone survey of Sparkler B was completed in December 2021. The aerial drone survey supplied Allup with orthophoto imagery, elevation maps, 3D DTM surface imagery and 3D models of the project area. This has allowed Allup to better define three target areas for the air-core drilling program proposed for the fourth quarter of 2022.



Figure 8. *Aerial drone images from Sparkler Silica Sands Project*

Further Intended Activities

Reconnaissance sampling indicated shallow low-grade SiO_2 . However, the sampling methodology was considered inconclusive. As a result, the Company intends to conduct an air-core drilling program concurrent with the intended Sparkler C drilling program. Activities include additional infill drilling, chemical analysis and further bulk sampling works including expanded and detailed metallurgical testwork.

The Company estimates, that subject to receiving the permitting approvals, activities may be conducted during the last quarter 2022 and the first quarter 2023.

E70/5920 Sparkler C

Exploration to date consists of field reconnaissance and aerial survey which has helped identify the areas of interest within the tenement location.

Aerial Drone Survey

An aerial drone survey of Sparkler C was completed in May 2022 and provided orthophoto imagery, elevation maps, 3D DTM surface imagery and 3D models of the project area. This data supports the identification of a high priority target area for the intended air-core drilling program.

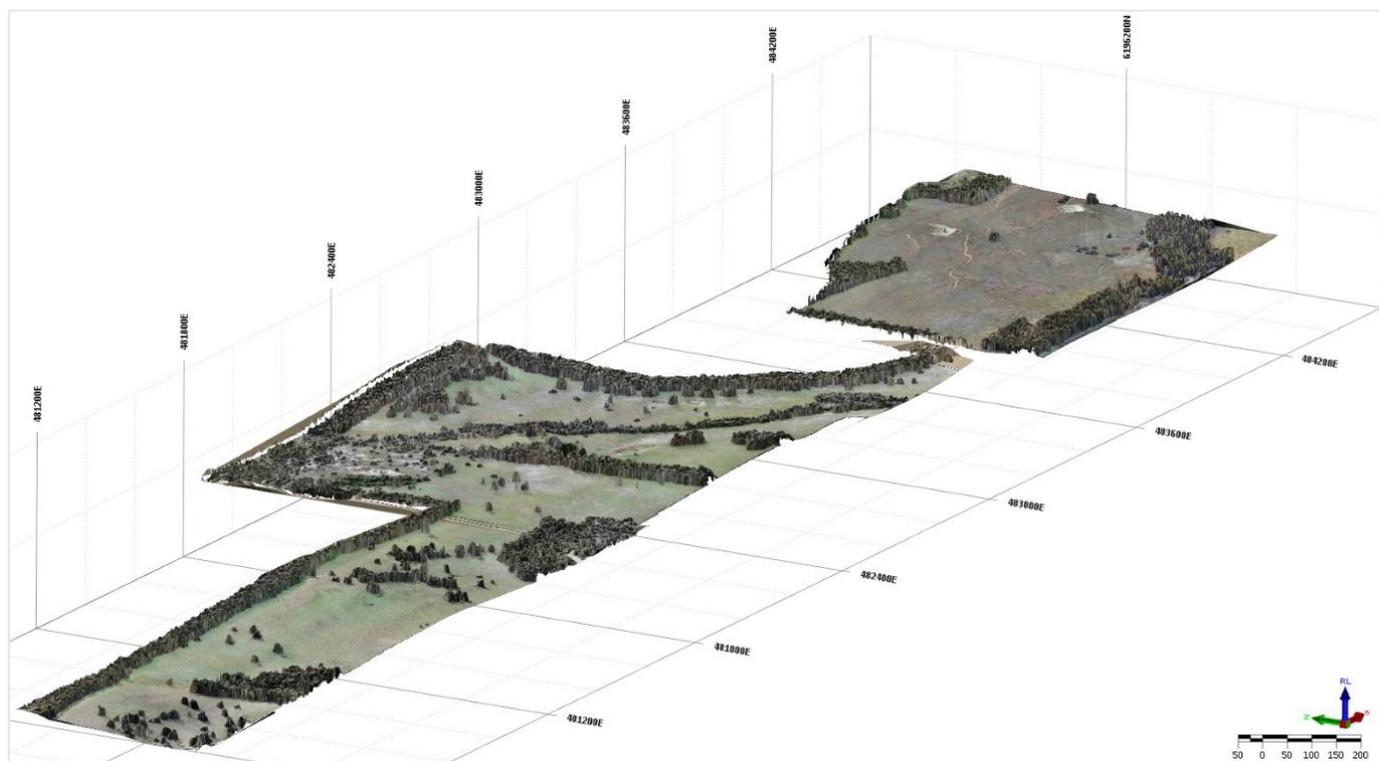


Figure 9. Aerial drone image of Sparkler C

Further Intended Activities

A Provision-of-Works (PoW) has been submitted for Stage 1 on-ground exploration activities to commence. Activities include an air-core drilling program, chemical analysis and further bulk sampling works including expanded and detailed metallurgical testwork aimed at reducing the iron content and increasing the final purity of the processed product.

The Company estimates, that subject to receiving the permitting approval, activities may be conducted during the last quarter 2022 and the first quarter 2023, with results being available and released on or around the second quarter 2023.

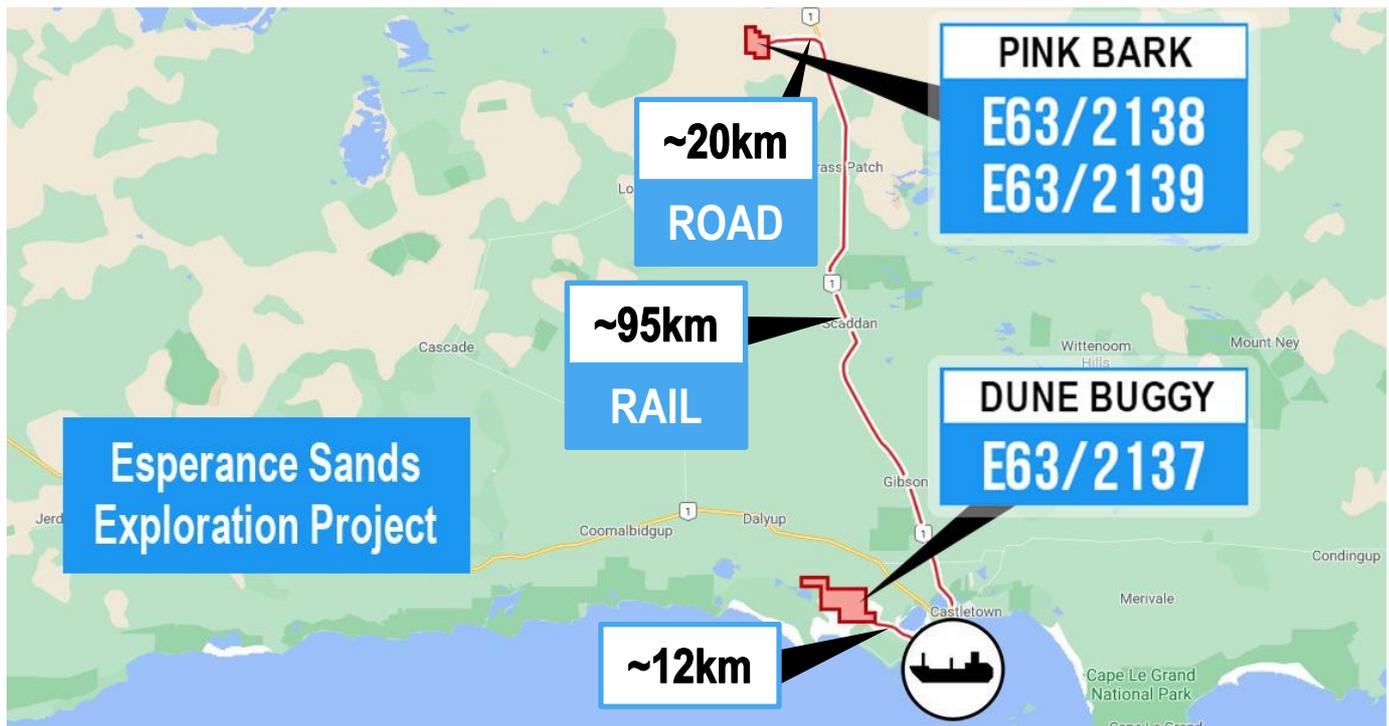
ESPERANCE SANDS EXPLORATION PROJECT


Figure 10. Location map for Pink Bark and Dune Buggy Projects

General Project Overview

The Esperance Sands Exploration Project encompasses two granted exploration licences being E63/2137 (Dune Buggy) and E63/2139 (Pink Bark) and one pending tenement application ELA63/2138.

Dune Buggy and Pink Bark are in the Goldfields-Esperance region of Western Australia. Both projects are in proximity to Esperance Port, being roughly 15km and 115km, respectively. Pink Bark is located within 20km of rail infrastructure. These areas are accessible by the already well-established infrastructure supporting agricultural, mining and other primary industries in the region.



Figure 11. Dune Buggy Project

The project target areas are situated on a combination of Crown land and privately owned freehold land, and can be accessed by excellent quality, all-weather sealed highways and major roads, with the tenement areas being readily accessible by a mix of sealed and gravel/sand access roads.

Pink Bark is within 20km of rail infrastructure and then 95km of rail to port.

E63/2137 Dune Buggy

Exploration to date consists of field reconnaissance and aerial survey, which has helped identify the areas of interest within the tenement location.

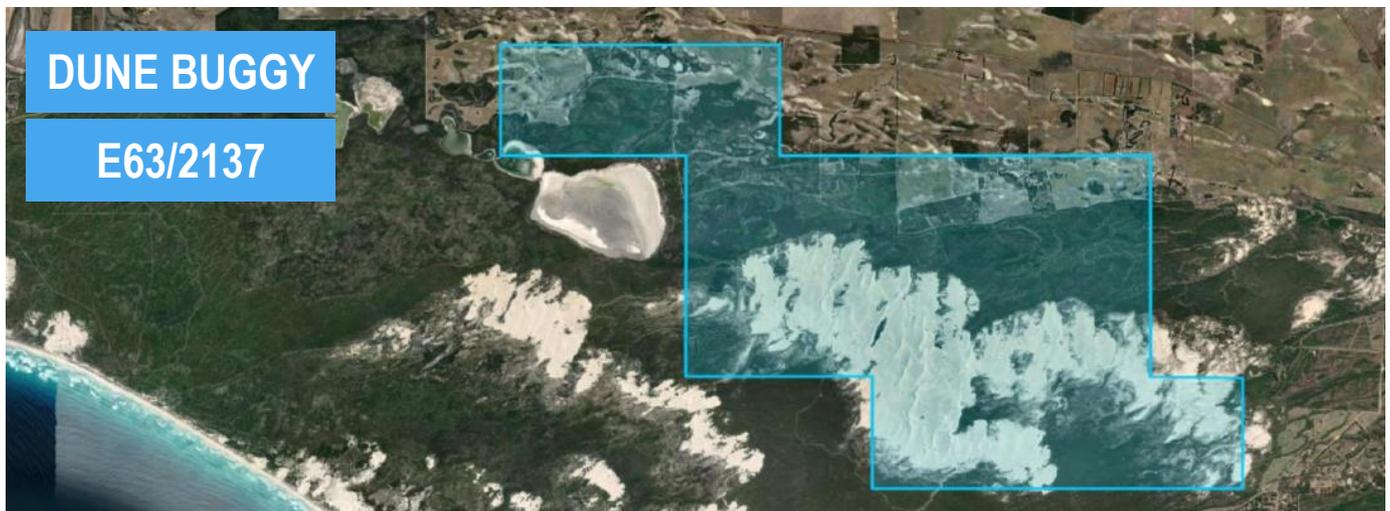


Figure 12. Tenement location – Dune Buggy E63/2137

Dune Buggy is located on Crown land. The sand deposit consists of a substantial dune structure which is sitting above ground level. The location can be accessed by all-weather sealed roads, with the tenement areas being readily accessible by sand access roads. Dune Buggy is approximately 15km to Esperance Port.

Aerial Survey Digital Surface Model

A Digital Surface Model of Dune Buggy via aerial survey was completed. Independent contractor, Geoimage Applied Spatial Intelligence, provided a report dated 29 June 2022. The DSM (Figure 13) of the proposed project area, was produced using Stereo Ortho-Ready Standard Level 2A WorldView-2 Imagery as well as 50cm resolution panchromatic and 2m resolution 4-band multispectral imagery. From the processed DSM, volume calculations of the potential resource were performed, referencing two separate elevation baselines.

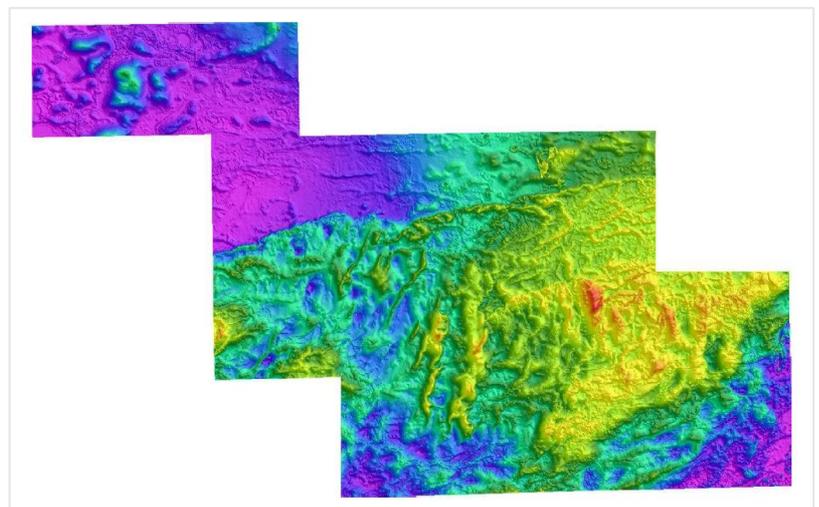


Figure 13. Multi-spectral digital surface image of Dune Buggy Project

Further Intended Activities

Provision-of-Works (PoW) has been submitted and is pending approval for Stage 1 on-ground exploration activities to commence. Activities include a vacuum-rig drilling program, chemical analysis and further bulk sampling works including expanded and detailed metallurgical testwork.

The Company estimates that subject to receiving the permitting approval, activities may be conducted during the first quarter 2023 and the second quarter 2023, with results being available and released on or around the third quarter 2023.

E63/2139 Pink Bark

Exploration to date consists of desktop geological interpretation, visual inspection at surface and a surface sampling program. Results from the surface sampling program have indicated the presence of high-grade silica within the identified target area. Initial estimations provide for an approximate strike length of 6km and a potential SiO₂ deposit of approximately 29sq km.

Initial Results of Surface Sampling Program

Pink Bark chemical analysis results (previously announced 8 June 2022) was done by Perth-based Nagrom Metallurgical Laboratory. Surface samples ranging from depths of 0-300mm were submitted for metallurgical analysis with results indicating the potential for a grassroots silica sands discovery on the tenement.

Key highlights include:

- Raw sample materials contain SiO₂ grades of 93.43% (lowest) to **98.82% (highest)** and Fe₂O₃ levels of between **0.08% (800 ppm)** and 0.95% (9500 ppm).



Figure 14. Sampling at Pink Bark Project



Figure 15. Access to railway for Pink Bark Project

Land Access Agreements

Land Access and Compensation Agreements for the project area have been signed with all respective landowners.

Further Metallurgical Studies

The surface samples reported above have been submitted for further metallurgical testwork consisting of wet screening, heavy liquid separation, attrition and screening, and magnetic separation. This will provide a better understanding of the potential processed grades and give the Company an indication of how the silica sand clean up with the removal of contaminants.

The company expects to publish results achieved from the surface sampling metallurgical testworks program in the fourth quarter 2022.

Further Intended Activities

A Provision-of-Works (PoW) has been submitted and is approved for on-ground exploration activities to commence. Activities include an air-core drilling program, chemical analysis and further bulk sampling works including expanded and detailed metallurgical testwork.

The Company estimates that subject to receiving the permitting approval, activities may be conducted during the last quarter 2022 and the first quarter 2023, with results being available and released on or around the second quarter 2023.

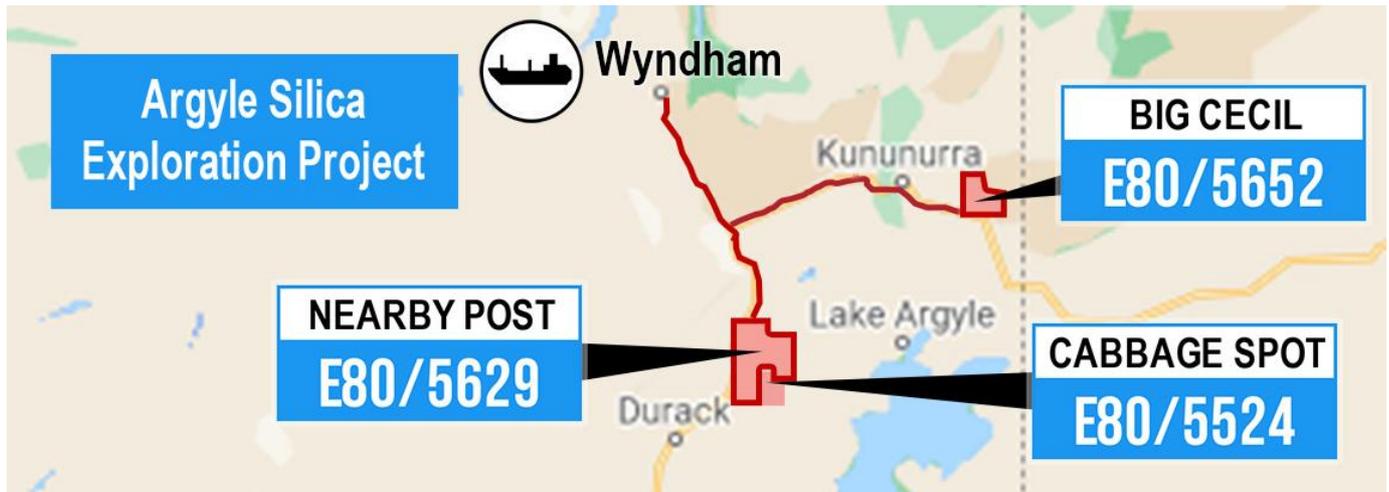
ARGYLE SILICA EXPLORATION PROJECT


Figure 16. Location map Argyle Silica Sand Project

E80/5524 Cabbage Spot
Heritage Impact Assessment Notice

On 16 June 2022 Allup submitted a Heritage Impact Assessment Notice to the Kimberley Land Council Aboriginal Corporation (KLC) representing the traditional owners, the Yurriyangem Taam Peoples. The Company is requesting heritage clearance to commence exploration within the tenement location for silica sand mineral deposits. The Company believes this area is prospective for silica sand and is seeking access approvals to conduct on-ground exploration activities.

Further Intended Activities

A Provision-of-Works (PoW) has been approved for on-ground exploration activities to commence subject to heritage clearance. Activities include a vacuum-rig drilling program, chemical analysis and further bulk sampling works including expanded and detailed metallurgical testwork.

The Company estimates that subject to receiving the permitting approval, activities may be conducted during the third quarter 2023 and the first quarter 2024, with results being available and released on or around the second quarter 2024.

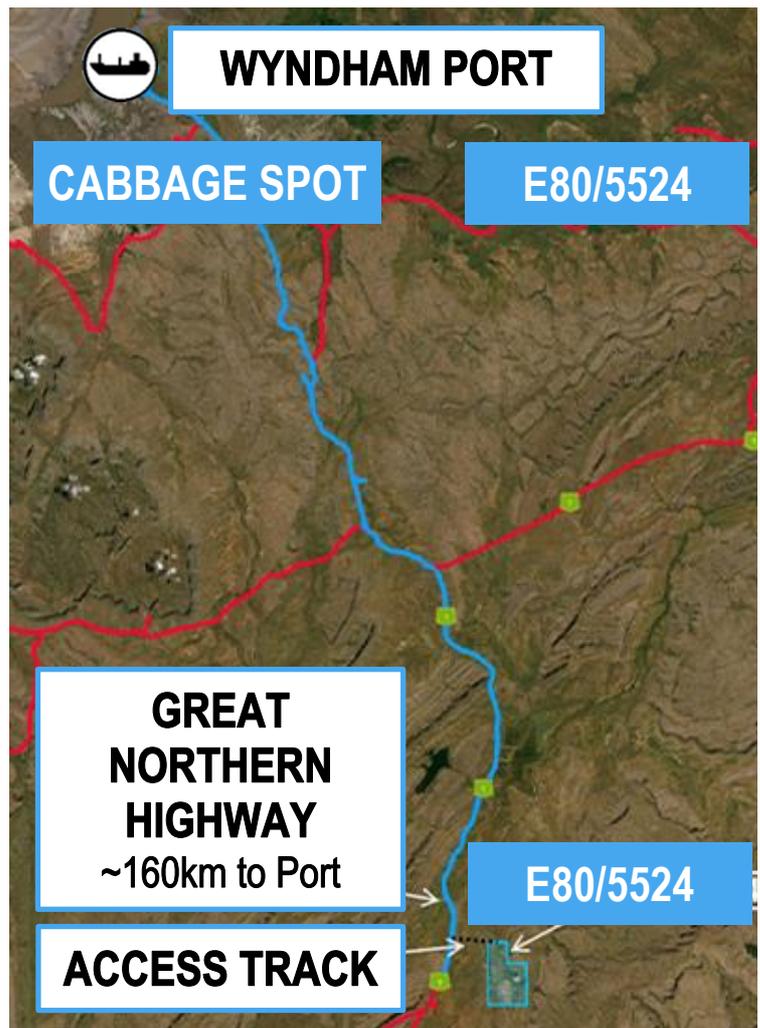


Figure 17. Aerial image of Cabbage Spot Silica Sand Project

PIPECLAY TREE SILICA EXPLORATION PROJECT

E70/5682 and E70/5745 Pipeclay Tree

The Pipeclay Tree Silica Exploration Project encompasses two granted exploration licences E70/5682 and E70/5745. The Project sites are in the South-Western region of Western Australia roughly 150km from Bunbury Port and are accessible by the already well-established infrastructure supporting agricultural, mining and other primary industries in the region.

Exploration to date consists of a review of historical data combined with desktop assessments, mapping techniques and field reconnaissance to identify prospective areas within the Pipeclay Tree Project area. The results of field reconnaissance and geological mapping may enable the Company to refine the target areas and plan any future activities based on these outcomes.

Other Tenements Not Granted (Pending)

ELA80/5629 Nearby Post

No activity

ELA80/5652 Big Cecil

No activity

ELA63/2138 Pink Bark B

No activity

Subsequent Events to 30 June 2022

EL 70/6170 Blue Vein

The Company has made an application and was subsequently granted tenement EL 70/6170 located in the South-Western region of Western Australia.

ELA 70/6208 Rail Head

The Company has made an application for tenement ELA 70/6208 located in the South-Western region of Western Australia.

ELA 33298 Trigger Fish

The Company has made an application for tenement ELA 33298 located in the Northern Territory.

ELA 70/5455 Antwalker

The Company withdrew its Exploration Licence Application.

Mineral Resources Estimate Statement

This statement represents the Mineral Resource Estimate (MRE) statement for Allup Silica Limited at 30 June 2022. This MRE statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code).

This statement is to be reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MRE statement is 30 June each year. The information in this statement has been extracted from the relevant reports as indicated in the table below.

Mineral Resources

The updated Sparkler A Inferred Mineral Resource Estimate is as follows:

Size Fraction	Yield	Tonnes	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
In-situ resource		70,000,000	96.84	1.17	0.34	0.43	0.66
coarse sand +0.6mm	36.5%	25,000,000	99.67	0.06	0.03	0.04	0.09
sand 0.106mm - 0.6mm	52.9%	37,000,000	99.66	0.06	0.02	0.03	0.08
fine sand 0.045mm - 0.106mm	5.2%	4,000,000	97.70	0.17	0.41	1.04	0.25

The Sparkler A Project is 100% owned by APS and has no private royalties.

An independent, JORC compliant Inferred Minerals Resource Estimate (initially done October 2021) was calculated and recently updated (as announced 30 June 2022) based on the most recently available data and in accordance with the 2012 JORC Code guidelines. The information in this Report that relates to Mineral Resources Estimate is based on, and fairly represents information and supporting documentation compiled by Richard Maddocks MSc in Mineral Economics, BAppSc in Geology and Grad Dip in Applied Finance and Investment. Mr Maddocks is an employee of Auranmore Consulting and is a Fellow of the Australasian Institute of Mining and Metallurgy with over 30 years of experience. Mr Maddocks has sufficient experience relevant to the Technical Assessment and/or Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Mr Maddocks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Maddocks consents to the inclusion in this Report of the matters based on his information in the form and content in which it appears.

Governance Summary

The Mineral Resource Estimate listed in this report is subject to APS's governance arrangements and internal controls. APS's Mineral Resource estimate is derived by a Competent Person (CP) with the relevant experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, and has been classified and reported in accordance with the JORC Code.

Competent Person Statement

The information in this Report that relates to exploration results is based on information compiled by Nicholas Revell who is a Member of The Australian Institute of Geoscience, and who has more than five years' experience in the field of activity being reported on. Mr Revell is the Technical Director of the Company.

Mr Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Revell consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

Forward-looking Statements

Information in this Report may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward-looking statements or information. While the Company considers the expectations reflected in any forward-looking statements or information in this release are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors associated, as well as other matters not yet known to the Company, or not currently considered material to the Company, may cause actual events to be materially different from those expressed, implied or projected in any forward-looking statements or information. Any forward-looking statement or information contained in this Report is qualified by this cautionary statement.

Interest in Tenements

The Company holds the following tenements at the end of the period:

Tenement	Project	Ownership	Location
GRANTED	EXPLORATION LICENCE		
E 70/5447	Sparkler A	100%	Western Australia
E 70/5527	Sparkler B	100%	Western Australia
E 70/5920	Sparkler C	100%	Western Australia
E 70/5682	Pipeclay Tree	100%	Western Australia
E 70/5745	Pipeclay Tree	100%	Western Australia
E 80/5524	Cabbage Spot	100%	Western Australia
E 63/2137	Dune Buggy	100%	Western Australia
E 63/2139	Pink Bark	100%	Western Australia
E 70/6170	Blue Vein	100%	Western Australia
NOT GRANTED	APPLICATION		
ELA 80/5629	Nearby Post	100%	Western Australia
ELA 80/5652	Big Cecil	100%	Western Australia
ELA 63/2138	Pink Bark	100%	Western Australia
ELA 70/6208	Rail Head	100%	Western Australia
ELA 33298	Trigger Fish	100%	Northern Territory
ELA 63/2264	Dune Buggy B	100%	Western Australia

E = Exploration Licence (granted)

ELA = Exploration Licence Application (not granted)



FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

ABN 47 163 173 224



CONTENTS

	Page
Directors' Report.....	22
Directors' Declaration.....	39
Auditor's Independence Declaration.....	40
Statement of Profit or Loss and Other Comprehensive income.....	41
Statement of Financial Position.....	42
Statement of Changes in Equity.....	43
Statement of Cash Flows.....	44
Notes to and forming part of the Financial Statements.....	45
Independent Auditor's Report.....	71
Additional Information.....	77

CORPORATE DIRECTORY

Directors

Andrew Haythorpe
Executive Chairman

Gavin Ball
Executive Director

Nick Revell
Executive Director

Campbell Smyth
Non-Executive Director

Company Secretary
Benjamin Donovan

ASX Code
APS

ABN
47 163 173 224

Website and Email

Website: www.allupsilica.com
Email: team@allupsilica.com

Principal Place of Business

Ground Floor
18 Kings Park Road
West Perth WA 6005
Phone: +61 (8) 9278 8811

Registered Office

Ground Floor
18 Kings Park Road
West Perth WA 6005
Phone +61 (8) 9278 8811

Share Registry

Automic Pty Ltd
Level 5
191 St Georges Terrace
Perth WA 6000
Phone: 1300 288 664

Auditors

SW Audit
Level 25
108 St Georges Terrace, Perth WA 6000
Phone: +61 (8) 6184 5980



ALLUP SILICA LIMITED DIRECTORS' REPORT

Your directors present their report on Allup Silica Limited (“the Company”) for the financial year ended 30 June 2022. The information in the preceding operating review, forms part of this directors’ report for the financial year ended 30 June 2022 and is to be read in conjunction with the following information:

Directors

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

Andrew John Haythorpe
Nicholas Gerard Revell
Gavin Neil Ball
Peter Secker (appointed 23 July 2021; resigned 8 December 2021)
John Campbell Smyth (appointed 23 July 2021)

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

Particulars of each director’s experience and qualifications are set out later in this report.

Principal Activities

The Company conducts mineral exploration and evaluation activities.

Operating Results

The after-tax loss of the Company for the financial year amounted to \$891,140 (2021: Loss \$180,488). This included a non-cash expense of \$344,582 for share-based payments (2021: \$122,640).

Review of Operations

The Company’s commercial strategy is based upon the investigation of several project areas, each with its own set of logistics and port options. Currently, the Company has multiple projects in proximity to four Western Australian ports, being Wyndham in the north of the State, and Bunbury, Albany and Esperance in the south. A further port location is also available at Darwin in the Northern Territory.

The main activities during the period under review relate to seeking the permitting and approvals required for the exploration of the Company’s various silica sand projects. During this period the Company has engaged with many project stakeholders, including government and landowners, whether private or with Native Title parties.

The Company has focused on progressing the development of its Sparkler Silica Sands Exploration Project (previously known as Unicup), which included the ongoing exploration and updating of its JORC Minerals Resource Estimations. It also sought the approvals required for the further exploration of areas of interest identified at Sparkler B and Sparkler C.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Review of Operations (continued)

Also during this period, the Company conducted further works, including chemical analysis and metallurgical studies to help improve its understanding of the silica sand potential on its tenements.

The Company also continued its research and development program, seeking out processes using either novel, existing and/or non-chemical (no acids) processing techniques for the type of silica sand relevant to the Company, with the objective of finding the best way to process the raw silica sand deposits to a higher purity specification.

Highlights during the Period include:

Sparkler Silica Sand Project

- Stage 1 exploration program completed
- Metallurgical results showing high purity SiO₂ with some areas grading up to 99.8% SiO₂ and low iron content
- Updated JORC Inferred Mineral Resource Estimate (MRE), with notation that 37 million tonnes (0.106mm-0.6mm) is potentially suitable for high quality glass manufacturing
- Provision-of-Works approved for Stage 2 exploration program at Sparkler A
- Provision-of-Works approved for Stage 1 exploration program at Sparkler B
- Provision-of-Works approved for Stage 1 exploration program at Sparkler C

Pink Bark Silica Sand Project

- Initial surface sample results were encouraging
- Identified potential 6km strike length with approx. 29sqkm target area
- Provision-of-Works approved for Stage 1 exploration program

Dune Buggy Silica Sand Project

- Provision-of-Works submitted for Stage 1 exploration program
- Various testwork and research and development programs initiated to investigate potential processing techniques for this type of sand

Cabbage Spot Silica Sand Project

- Provision-of-Works approved for Stage 1 exploration program
- Provision-of-Works approved for Stage 2 exploration program
- Heritage Notice submitted to the Kimberley Land Council (KLC)



ALLUP SILICA LIMITED DIRECTORS' REPORT

Review of Operations (continued)

As at the date of this report, the Company holds the following tenements:

Tenement	Project	Ownership
GRANTED	EXPLORATION LICENCE	
E 70/5447	Sparkler A	100%
E 70/5527	Sparkler B	100%
E 70/5920	Sparkler C	100%
E 70/5682	Pipeclay Tree	100%
E 70/5745	Pipeclay Tree	100%
E 80/5524	Cabbage Spot	100%
E 63/2137	Dune Buggy	100%
E 63/2139	Pink Bark	100%
E 70/6170	Blue Vein	100%
NOT GRANTED	APPLICATION	
ELA 80/5629	Nearby Post	100%
ELA 80/5652	Big Cecil	100%
ELA 63/2138	Pink Bark	100%
ELA 70/6208	Rail Head	100%
ELA 33298	Trigger Fish	100%
ELA 63/2264	Dune Buggy B	100%

Financial Position

The net assets of the Company have increased by \$4,729,133 from \$1,003,694 at 30 June 2021 to \$5,732,827 at 30 June 2022. This increase is, in the main, due to funds raised of \$5,169,691 (after costs) from the issue of advisor options and ordinary shares, in a pre-IPO raising and the IPO raising, preceding the admission of the Company to the ASX on 28th April 2022.

The Company's working capital, being current assets less current liabilities, has improved from \$831,653 in 2021 to \$5,120,705 in 2022.

During the past three financial years, the Company has invested in strategic tenements, that the Company believes could be prospective for high quality silica sand. In particular, the Company strategy is to achieve more risk mitigation by having multiple projects in different locations, each close by road or rail to ports and infrastructure.

The directors believe the Company is in a strong and stable financial position to expand and grow its current exploration activities, metallurgical, chemical and research evaluation and commence the permitting requirements needed for future commercialisation of its projects.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

- The Company was admitted to the ASX on 28th April 2022.
- On 13 September 2021 the Company issued 1,250,000 ordinary shares on the exercise of Director sign-on options for consideration of \$120,000.
- On 13 October 2021 the Company issued 9,000,000 ordinary shares on the exercise of Founders' options for consideration of \$7,200.
- On 13 October 2021 the Company issued 2,000,000 ordinary shares on a placement for consideration of \$40,000.
- On 28 October 2021 the Company issued 4,000,000 ordinary shares on a placement for consideration of \$400,000, before costs.
- On 19 November 2021 the Company issued 530,000 ordinary shares pursuant to the acquisition of a tenement for consideration of \$106,000.
- On 28 April 2022 the Company issued 25,000,000 ordinary shares on admission to the ASX for consideration of \$5,000,000, before costs.

No other significant changes in the Company's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year that significantly affect or may 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

The Company intends to continue mineral exploration activities while considering new project applications, acquisitions and joint venture opportunities.

Dividends

No dividends were declared or recommended but not paid, during the financial year.

Environmental Regulations

The Company is required to carry out its activities in accordance with the Mining Laws and regulations in the areas in which it undertakes its exploration activities. The Company is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Share Options

The following options over issued shares or interests in the Company were granted during the financial year:

- The Company issued 2,500,000 Director sign-on options to acquire fully paid ordinary shares exercisable at \$0.096 per share on 23rd July 2021. The options vest immediately and expire on the earlier of (i) the date the Company lodges its application with the ASX regarding its suitability for listing; or (ii) the date 12 months from the grant date. 1,250,000 options issued to Campbell Smyth were exercised on 13th September 2021. The remaining 1,250,000 options issued to Peter Secker expired on 27th October 2021.
- On 2nd May 2022, the Company issued 5,000,000 Advisor options to the lead broker, CPS Capital Group Pty Ltd. The options vest immediately, and each option can be exercised at an exercise price of \$0.25 into one fully paid ordinary share in the Company. Options expire 42 months from the date of issue. None of the options were exercised in the current financial year.

At the date of this Report, there were 5,000,000 options to acquire fully paid ordinary shares outstanding, exercisable at \$0.25 per share and expiring on 2nd November 2025.

The following shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests:

- 9,000,000 ordinary shares were issued on 13th October 2021, on the exercise of Founder's options.
- 1,250,000 ordinary shares were issued on 13th September 2021, on the exercise of Director sign-on options.

Indemnifying Officers and Auditors

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 paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not indemnified or agreed to indemnify the auditor of the Company against a liability incurred as the auditor.

Proceedings on Behalf of 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 year ended 30 June 2022.

ALLUP SILICA LIMITED DIRECTORS' REPORT

Information on Directors

Andrew Haythorpe - BSc (Hons); FAUSIMM; MAICD

Andrew has been an exploration geologist, global energy and resources analyst, a fund manager and more recently has gained over 20 years' experience in managing listed companies in Australia and abroad. He has held a number of Chair and Board positions, as well as serving as CEO of several successful listed resources companies and is currently a Non-Executive Director of ASX listed Tempest Minerals Limited.

Nicholas (Nick) Revell – B.Applied Sc (Geology)

Nick has over 30 years' experience in mining and exploration. He has held several senior positions in mining, exploration geology and property evaluation, working for ASX and TSX mining companies as Director, Exploration Manager and Mine Geologist across a range of minerals.

Gavin Ball

Gavin has over 25 years commercial experience and intellectual expertise in the start-up, development, growth and ongoing management of business. Working in numerous executive roles, Gavin has a proven management, financial and accounting skill set with strong commercial and marketing focus.

(John) Campbell Smyth - B.Comm (WA); SFA Aff (UK) (appointed on 23rd July 2021)

Campbell's professional career has been in the provision of advice to fund management, capital markets and the corporate finance sector. This experience has been with most major markets, primarily the ASX, and listed and unlisted companies in North America and Europe.

Peter Secker – B.Eng (appointed on 23rd July 2021, resigned 8th December 2021)

Peter has had a lengthy professional career within the global mining and resources industry, with much of his expertise obtained at senior levels of management. This has involved building, commissioning and operating projects in Mexico, Australia, China, Africa and Canada, and encompassing a number of different commodities.

Directorship of Other Listed Companies

Directorships of other listed companies held by Directors in the three years immediately before the end of the year are as follows:

Director Name	Company	Period of Directorship
Andrew Haythorpe	GoldOz Limited Tempest Minerals Limited Accelerate Resources Limited	3 May 2021 to present 11 October 2019 to present 15 August 2017 to 3 July 2020
Gavin Ball	RLF AgTech Ltd	4 October 2017 to Present
Nick Revell	Kingsland Minerals Limited	12 February 2021 to Present

ALLUP SILICA LIMITED DIRECTORS' REPORT

Directorship of Other Listed Companies (cont.)

Director Name	Company	Period of Directorship
(John) Campbell Smyth	Norseman Silver (TSXV)	11 October 2017 to present
	Nubian Resources (TSXV)	18 November 2019 to present
	Allied Copper (TSXV)	2 November 2021 to present
	GoldOz Limited	13 September 2021 to present
	Orange Minerals Limited	6 December 2021 to present
	Amani Gold Limited	7 June 2021 to present
	Kogi Iron Limited	15 August 2022 to present

Directors' Share and Option Holdings

At the date of this report, the direct and indirect interest of the Directors in the shares and options of the Company were:

Director	Ordinary Shares	Options (unlisted)
Andrew Haythorpe (i)	11,599,820	Nil
Gavin Ball (ii)	12,243,749	Nil
Nick Revell (iii)	11,585,000	Nil
(John) Campbell Smyth (iv)	3,614,219	Nil

- (i) Andrew Haythorpe holds 11,500,000 shares in the name of Tesha Pty Ltd <Nimrod Trust A/C> in which he is a director and beneficiary and 99,820 shares in Ouro Pty Ltd in which he is a director and shareholder.
- (ii) Gavin Ball holds 12,243,749 shares in the name of Vorian Investment (Holdings) Pty Ltd <Vorian Investment Trust A/C> in which he is a director and beneficiary
- (iii) Nick Revell holds 10,000 shares in his own name, 11,500,000 shares in the name of Spurs Geological Services Pty Ltd in which he is a director and shareholder and 75,000 shares in Lejns Pty Ltd <The Revell Family A/C> in which he is a director and beneficiary.
- (iv) Campbell Smyth holds 3,614,219 shares jointly with Ann Novello Hogarth <Smyth Super Fund A/C> in which he is a member.

Company Secretary

Benjamin Donovan – B.Comm (Hons); ACG (CS) – appointed 30 November 2021

Ben is the principal of Argus Corporate Partners Pty Ltd, which provides corporate advisory, IPO and consultancy services to a number of companies. Ben is also an associate member of the Governance Institute of Australia. He is currently Company Secretary for several ASX listed and public unlisted companies, with his experiences ranging across the resources, agritech, biotech, media and technology industries. Ben has extensive experience in listing rules compliance and corporate governance, and in addition in capital markets by raising capital and assisting companies achieve an initial listing on the ASX.

**ALLUP SILICA LIMITED
DIRECTORS' REPORT****Company Secretary (cont.)**

Mark Lester – resigned 30 November 2021

Mark is a member of Chartered Accountants Australia and New Zealand and a former registered auditor and registered tax agent. He has extensive experience in the audit of corporations in Australia and USA and has been a Director and Company Secretary of ASX-listed companies in the junior exploration and biotech sectors. Mark continues in the role of Chief Financial Officer of the Company.

Directors' Meetings

During the financial year, 6 meetings of directors (including 4 sub-committees of directors) were held. Attendances by each director during the year were as follows:

Directors	Eligible to Attend	Attended
Andrew John Haythorpe	6	6
Gavin Ball	6	6
Nick Revell	3	3
(John) Campbell Smyth	3	3
Peter Secker	2	2

In addition, there were 16 circular resolutions passed by the Board of Directors during the year.

As at the date of this report an Audit Committee of the Board of Directors did not exist due to the Directors of the Board having a close involvement in the operations of the Company. There are no other sub-committees of the Board except for the IPO Due Diligence sub-committee made up of Andrew Haythorpe, Gavin Ball and Grant Paterson (GTP Legal). The sub-committee held 4 Meetings during the year and all sub-committee members attended each of those 4 meetings.

ALLUP SILICA LIMITED DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

The Company's Remuneration Policy is as follows.

1.1 Non-Executive Director Remuneration

Non-Executive Directors are normally remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives.

Shareholder approval must be obtained in relation to the overall limit set for non-executive Directors' fees.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$500,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Non-Executive Directors are not provided with retirement benefits.

1.2 Executive Remuneration

The Company's remuneration policy is designed to promote superior performance and long term commitment to the Company. Executives and employees receive a base remuneration which is market related and may be entitled to performance-based remuneration which is determined on an annual basis.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance, relevant comparative information and expert advice.

The Board's remuneration policy reflects its obligation to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Company.

The main principles of the policy are:

- (a) remuneration reflects the competitive market in which the Company operates;
- (b) individual remuneration should be linked to performance criteria if appropriate; and
- (c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

- (a) salary – executives receive a fixed sum payable monthly in cash;
- (b) cash at risk component – the executives are eligible to participate in a cash bonus plan if deemed appropriate;
- (c) share and option at risk component – executives may participate in share, performance rights and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to retain flexibility to issue shares, performance rights and options to executives outside of approved schemes in exceptional circumstances; and
- (d) other benefits – executives may, if deemed appropriate by the Board, be provided with a fully expensed mobile phone and other forms of remuneration.

ALLUP SILICA LIMITED DIRECTORS' REPORT

The following were Key Management Personnel of the Company during the year:

- Andrew Haythorpe (Executive Chairman)
- Gavin Ball (Executive Director)
- Nicholas (Nick) Revell (Executive Director)
- (John) Campbell Smyth (Non-Executive Director) (appointed 23 July 2021)
- Peter Secker (Non-Executive Director) (appointed 23 July 2021, resigned 8 December 2021)
- Mark Lester (Chief Financial Officer) and Company Secretary (resigned as Company Secretary 30 November 2021)

Key Terms of Agreements with Directors, Key Management or Related Parties

Andrew Haythorpe – Executive Director - Services Agreement

The Company and a related entity to Andrew Haythorpe have entered into an executive services agreement for his role as Executive Chairperson. This agreement commenced upon successful listing on the Official List of the ASX. The principal terms of the agreement are as follows:

- (a) A base salary of \$120,000 per annum (exclusive of GST).
- (b) The agreement may be terminated:
 - (i) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (ii) by the Company with 6 month's notice, or immediately with payment in lieu of notice if the executive is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (iii) by either party with 6 months' written notice if the executive's role becomes redundant.
If the Company terminates the employment of the executive within 12 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay the executive for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements;
 - (iv) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
 - (v) by the executive immediately, by giving notice, if the Company is in breach of a material term of its agreement with him. The agreement otherwise contains industry-standard provisions for a senior executive of a public company that is seeking a listing on the Official List of the ASX.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Nick Revell – Executive Director - Services Agreement

The Company and a related entity to Nicholas Revell have entered into an executive services agreement for his role as Executive Director. This agreement commenced upon successful listing on the Official List of the ASX. The principal terms of the agreement are as follows:

- (a) A base salary of \$120,000 per annum (exclusive of GST).
- (b) The agreement may be terminated:
 - (i) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (ii) by the Company with 6 month's notice, or immediately with payment in lieu of notice if the executive is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (iii) by either party with 6 months' written notice if the executive's role becomes redundant. If the Company terminates the employment of the executive within 12 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay the executive for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements;
 - (iv) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
 - (v) by the executive immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.

Gavin Ball – Executive Director - Services Agreement

The Company and a related entity to Gavin Ball have entered into an executive services agreement for his role as Executive Director.

This agreement commenced upon successful listing on the Official List of the ASX. The principal terms of the agreement are as follows:

- (a) A base salary of \$120,000 per annum (exclusive of GST).
- (b) The agreement may be terminated:
 - (i) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (ii) by the Company with 6 month's notice, or immediately with payment in lieu of notice if the executive is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (iii) by either party with 6 months' written notice if the executive's role becomes redundant. If the Company terminates the employment of the executive within 12 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay the executive for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements;
 - (iv) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
 - (v) by the executive immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Peter Secker – Non-Executive Director – Services Agreement

The Company has entered into an agreement with Peter Secker in respect of his appointment as a Non-Executive Director of the Company. Peter Secker will be paid a fee of \$36,000 per annum (exclusive of statutory superannuation) for his services as Non-Executive Director and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties. The appointment of Peter Secker as a Non-Executive Director is otherwise on terms that are customary for an appointment of this nature.

Campbell Smyth – Non-Executive Director – Services Agreement

The Company has entered into an agreement with Campbell Smyth in respect of his appointment as a Non-Executive Director of the Company. Campbell Smyth will be paid a fee of \$60,000 per annum (exclusive of statutory superannuation) for his services as Non-Executive Director and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties. The appointment of Campbell Smyth as a Non-Executive Director is otherwise on terms that are customary for an appointment of this nature.

Mark Lester – Chief Financial Officer – Employment Agreement

The Company has entered into an employment agreement with Mark Lester in respect of his appointment as Chief Financial Officer, with remuneration of \$84,000 plus statutory superannuation, per annum. The employment agreement is on terms that are customary for an appointment of this nature.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Details of remuneration provided to Key Management personnel during the year are as follows:

		Short-term employee benefits		Post-employment benefits	Share-based payments	Total	% of total consisting of Options
		Salary & service fees	Bonus	Super-annuation	Options		
		\$	\$	\$	\$	\$	
Andrew Haythorpe (i)	2022	20,000	-	-	36,232	56,232	64%
	2021	5,000	-	-	7,933	12,933	61%
Gavin Ball (appointed 6 August 2020)	2022	20,000	-	-	-	20,000	0%
	2021	-	-	-	55,207	55,207	100%
Nicholas (Nick) Revell (ii)	2022	51,377	-	-	-	51,377	0%
	2021	5,840	-	-	44,165	50,005	88%
John Stockley (iii) (resigned 18 February 2021)	2022	-	-	-	-	-	-
	2021	5,000	-	-	-	5,000	0%
Peter Secker (appointed 23 July 2021; resigned 8 December 2021)	2022	-	-	-	154,175	154,175	100%
	2021	-	-	-	-	-	-
(John) Campbell Smyth (appointed 23 July 2021)	2022	10,000	-	-	154,175	164,175	94%
	2021	-	-	-	-	-	-
Mark Lester (iv)	2022	13,846	-	1,389	-	15,235	0%
	2021	1,000	-	-	15,335	16,335	94%
Total	2022	115,223	-	1,389	344,582	461,194	75%
	2021	16,840	-	-	122,640	139,480	88%

Note: Except for exploration consulting fees paid to a related party of Nick Revell, Directors' fees and salaries in 2022 were only paid from listing on 2nd May 2022.

- (i) Amounts paid to Andrew Haythorpe include Directors' fees of \$20,000 (2021 \$Nil) and consulting fees of \$Nil (2021 \$5,000) paid to a related party.
- (ii) Amounts paid to Nicholas (Nick) Revell include Directors' fees of \$20,000 (2021 \$Nil) and consulting fees of \$31,377 (2021 \$5,840) paid to a related party.
- (iii) Amounts paid to John Stockley include Directors' fees of \$Nil (2021 \$Nil) and consulting fees of \$Nil (2021 \$5,000) paid to a related party.
- (iv) Amounts paid to Mark Lester include consulting fees of \$Nil (2021 \$1,000) paid to a related party.

There are no contracts to which a Director is a party or under which the Director is entitled to a benefit other than as disclosed in the financial report.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Value of options issued to Key Management Personnel:

During the financial year, the following share based payment arrangements were in existence for Key Management Personnel:

Options	Grant Date	Expiry Date	Grant Date Fair Value	Vesting Date
Founders' Options issued 6 August 2020 exercisable at \$0.0008 (i)	6/8/2020	6/8/2025	\$158,871	6/8/2020
Directors' sign-on Options exercisable at \$0.0960	23/7/2021	27/10/2021	\$308,350	23/7/2021

(i) adjusted for 5:4 share subdivision

There were 2,500,000 options issued to Key Management Personnel during the year, of which 1,250,000 options were exercised during the year and 1,250,000 options expired during the year. In addition 9,000,000 options issued in the prior year to a Key Management Person, were also exercised in the current year.

The Board reviews the remuneration packages of all key management personnel on an annual basis. The maximum remuneration of non-executive Directors is to be determined by Shareholders at a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable.

At present the maximum aggregate remuneration of non-executive Directors is \$500,000 per annum.

The apportionment of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Director. Remuneration is not linked to a specific service or performance criteria.

Remuneration levels, shares and options granted are not dependent upon any performance criteria as the nature of the Company's operations are exploration, and they are not generating profits.

The Company did not use a remuneration consultant during the year or prior year.

**ALLUP SILICA LIMITED
DIRECTORS' REPORT**
Key Management Personnel Equity Holdings
Fully paid ordinary shares issued by the Company

The movement during the year in numbers of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person is as follows:

Key Management Personnel	Opening balance 1 July 2021 (or at date of appointment)	Granted as compensation	Received on exercise of options	Other movements during the year	Closing balance 30 June 2022 (or at date of resignation)
Andrew Haythorpe (i)	2,500,000	-	9,000,000	-	11,500,000
Gavin Ball (ii)	12,143,750	-	-	99,999	12,243,749
Nick Revell (iii)	11,500,000	-	-	85,000	11,585,000
(John) Campbell Smyth (appointed 23 July 2021) (iv)	1,041,666	-	1,250,000	1,172,553	3,464,219
Peter Secker (appointed 23 July 2021; resigned 8 December 2021) (v)	1,041,666	-	-	-	1,041,666
Mark Lester (vi)	3,625,000	-	-	-	3,625,000

- (i) Andrew Haythorpe holds 11,500,000 shares in the name of Tesha Pty Ltd <Nimrod Trust A/C> in which he is a director and beneficiary.
- (ii) Gavin Ball holds 12,243,749 shares in the name of Vorian Investment (Holdings) Pty Ltd <Vorian Investment Trust A/C> in which he is a director and beneficiary
- (iii) Nick Revell holds 10,000 shares in his own name, 11,500,000 shares in the name of Spurs Geological Services Pty Ltd in which he is a director and shareholder and 75,000 shares in Lejns Pty Ltd <The Revell Family A/C> in which he is a director and beneficiary
- (iv) Campbell Smyth holds 2,291,666 shares jointly with Ann Novello Hogarth <Smyth Super Fund A/C> in which he is a member.
- (v) Peter Secker holds all his shares in his own name.
- (vi) Mark Lester holds his shares in the name of MAL Super Fund Pty Ltd <MAL Superannuation Fund A/C> in which he is a director of the trustee company and a member of the Fund.



ALLUP SILICA LIMITED DIRECTORS' REPORT

Executive unlisted share options issued by the Company

The movement during the year in numbers of unlisted options over ordinary shares in the Company held directly, indirectly or beneficially, by each key management person is as follows:

Director	Opening balance 1 July 2021	Granted as compensation	Exercised or expired	Balance vested at 30 June 2022	Vested but not exercisable	Vested and exercisable at 30 June 2022
Andrew Haythorpe	9,000,000	-	(9,000,000)	-	-	-
Gavin Ball	-	-	-	-	-	-
Nick Revell	-	-	-	-	-	-
(John) Campbell Smyth (appointed 23 July 2021)	-	1,250,000	(1,250,000)	-	-	-
Peter Secker (appointed 23 July 2021; resigned 8 December 2021)	-	1,250,000	(1,250,000)	-	-	-
Mark Lester	-	-	-	-	-	-

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other Transactions with KMP and/or their Related Parties

Service Arrangement with Magicorp Pty Ltd

Gavin Ball has a controlling interest in Magicorp Pty Ltd which provides consumables, equipment and other digital services to the Company, including website and domain services and other services on an as required basis. The Company is charged Magicorp's standard fees which amounted to \$3,835 (excl. GST) for the year ended 30 June 2022 (2021: \$1,251). Fees charged by Magicorp are the recovery of the cost of the services provided plus a commercial margin. These services are not contracted under an agreement because they are only required on an as needed basis.

There were no other transactions conducted between the Company and key management personnel or their related parties, apart from those disclosed above relating to equity and compensation, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

END OF REMUNERATION REPORT

**ALLUP SILICA LIMITED
DIRECTORS' REPORT**

Non-Audit Services

During the year there were no non-audit services provided by SW Audit (formerly ShineWing Australia) or the previous auditor Walker Wayland Audit (WA) Pty Ltd, nor their related entities.

Auditor's Independence Declaration

The auditor's independence declaration as required under s307C of the *Corporations Act 2001* has been received and can be found on page 40.

Signed on 23 September 2022 in accordance with a resolution of the Board, made pursuant to Section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors:

Gavin Ball
Director



**ALLUP SILICA LIMITED
DIRECTORS' DECLARATION**

1. In the opinion of the directors of Allup Silica Limited ("the Company")
 - a. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2022 and its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

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

Gavin Ball
Director

Dated this 23rd day of September 2022

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

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

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

SW Audit

SW Audit (formerly ShineWing Australia)
Chartered Accountants



Richard Gregson
Partner

Perth, 23 September 2022



ALLUP SILICA LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
Interest		1,308	-
Total income		1,308	-
Accounting, tax and audit		(22,805)	(9,576)
Corporate advisory		(74,204)	(10,805)
IPO expenses		(136,630)	-
Company secretarial		(37,016)	-
Marketing and shareholder communications		(119,434)	(27,116)
Employee benefits expense		(64,550)	-
Share based payments to directors and founders		(344,582)	(122,640)
Occupancy expenses		(34,364)	-
Depreciation expense		(862)	-
Administration expenses		(58,001)	(10,351)
Total expenses		(892,448)	(180,488)
Loss before income tax	2	(891,140)	(180,488)
Income tax expense	3	-	-
Loss for the year		(891,140)	(180,488)
Other comprehensive income		-	-
Total comprehensive loss for the year		(891,140)	(180,488)
Loss for the year attributable to owners of the Company		(891,140)	(180,488)
Total comprehensive loss attributable to owners of the Company		(891,140)	(180,488)
Earnings per share			
Basic earnings per share (cents)	22	(1.5104)	(1.3462)
Diluted earnings per share (cents)	22	(1.5104)	(1.3462)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**ALLUP SILICA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash at bank	5	4,913,074	780,445
Trade and other receivables	6	80,791	19,608
Other current assets	7	206,480	71,862
TOTAL CURRENT ASSETS		<u>5,200,345</u>	<u>871,915</u>
NON-CURRENT ASSETS			
Mineral exploration and evaluation	8	598,193	172,041
Property, plant and equipment	9	13,929	-
TOTAL NON-CURRENT ASSETS		<u>612,122</u>	<u>172,041</u>
TOTAL ASSETS		<u>5,812,467</u>	<u>1,043,956</u>
LIABILITIES			
Trade and other payables	10	79,640	40,262
TOTAL CURRENT LIABILITIES		<u>79,640</u>	<u>40,262</u>
NON-CURRENT LIABILITIES		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		<u>79,640</u>	<u>40,262</u>
NET ASSETS		<u>5,732,827</u>	<u>1,003,694</u>
EQUITY			
Issued capital	11	6,218,184	1,073,049
Reserves	12	443,603	122,640
Accumulated losses		(928,960)	(191,995)
TOTAL EQUITY		<u>5,732,827</u>	<u>1,003,694</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



ALLUP SILICA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Notes	Issued Capital \$	Share Option Reserve \$	Accumulated Losses \$	Total \$
Balance 1 July 2021		1,073,049	122,640	(191,995)	1,003,694
Loss for the year		-	-	(891,140)	(891,140)
Total comprehensive loss for the year		-	-	(891,140)	(891,140)
		1,073,049	122,640	(1,083,135)	112,554
Ordinary shares issued during the year		5,673,200	-	-	5,673,200
Share based payments		-	344,582	-	344,582
Options expired		-	(154,175)	154,175	-
Options exercised		313,047	(313,047)	-	-
Share issue costs		(841,112)	443,603	-	(397,509)
Balance 30 June 2022		6,218,184	443,603	(928,960)	5,732,827
Balance 1 July 2020		6,400	-	(11,507)	(5,107)
Loss for the year		-	-	(180,488)	(180,488)
Total comprehensive loss for the year		-	-	(180,488)	(180,488)
		6,400	-	(191,995)	(185,595)
Ordinary shares issued during the year		1,100,740	-	-	1,100,740
Share based payments		-	122,640	-	122,640
Share issue costs		(34,091)	-	-	(34,091)
Balance 30 June 2021		1,073,049	122,640	(191,995)	1,003,694

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



ALLUP SILICA LIMITED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		1,308	-
Payments to suppliers and employees		(711,484)	(144,913)
Net cash flows used in operating activities	17	<u>(710,176)</u>	<u>(144,913)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tenement and exploration costs		(311,358)	(136,142)
Payments for property, plant and equipment		(15,528)	-
Net cash flows used in investing activities		<u>(326,886)</u>	<u>(136,142)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		5,413,600	1,047,949
Proceeds from issue of advisor options		5,000	-
Share issue costs		(376,109)	-
Proceeds from exercise of options		127,200	18,700
Shareholder loans repaid		-	(9,760)
Net cash flows provided by financing activities		<u>5,169,691</u>	<u>1,056,889</u>
Net increase in cash and cash equivalents		4,132,629	775,834
Cash and cash equivalents at beginning of the financial year		<u>780,445</u>	<u>4,611</u>
Cash and cash equivalents at the end of the financial year	5	<u>4,913,074</u>	<u>780,445</u>

The above Statement of Cashflows should be read in conjunction with the accompanying

ALLUP SILICA LIMITED NOTES TO THE FINANCIAL STATEMENTS

The financial statements and notes represent those of Allup Silica Limited (the Company), a public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange Limited.

The address of the registered office and principal place of business are disclosed in the contents page.

The nature of the operations and principal activities of the Company are described in Note 18 and the Review of Operations at the front of the Annual Report.

Note 1: Summary of Significant Accounting Policies

Statement of Compliance

The Financial Report for the Company for the year ended 30 June 2022 was authorised for issue on 23rd September 2022, in accordance with a Resolution of the Directors.

The Financial Report complies with Australian Accounting Standards (AAS). Compliance with AAS ensures that the Financial Report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Going Concern

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

Current cashflow projections indicate that the Company can continue as a going concern and pay its debts as and when they fall due.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies

(a) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- a) the initial recognition of goodwill; or
- b) the initial recognition of an asset or liability in a transaction which:
 - i) is not a business combination; and
 - ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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



ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

(a) Income Tax (continued)

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

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

(b) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

(b) Fair Value of Assets and Liabilities (continued)

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement

Financial liabilities:

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

(c) Financial Instruments (cont.)

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, the change in credit risk is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets:

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(c) Financial Instruments (cont.)

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments:

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3:Business Combinations applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company’s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities:

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets:

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(c) Financial Instruments (cont.)

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

(d) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

(e) Employee Benefits

Short-term Employee Benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures. Upon the remeasurement of obligations due to changes in assumptions for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(f) 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.

(g) Revenue and Other Income

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

(h) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognized as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions are also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, economically recoverable reserves are continuing.

Expenditure on tenement licence applications is classified as an exploration and evaluation asset when incurred. If an application is rejected the application fee will be refunded and credited against the related exploration and evaluation asset. Other non-licence application costs incurred are classified as other current assets and transferred to Mineral Exploration and Evaluation in the statement of financial position when the related tenement is granted. In the event that the related tenement is not granted, those costs are expensed in the statement of profit or loss and other comprehensive income at that time.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies. Exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortization of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

(i) Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation are reviewed at the end of each annual reporting year.

The following estimated useful lives are used in calculation of depreciation:

- Computer equipment - 4 years
- Office equipment – 5 to 10 years

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at their transaction price (unless there is a significant financing component) less lifetime expected credit losses and subsequently measured at amortised cost using the effective interest method.

Trade receivables are written off if there is objective evidence regarding bankruptcy or insolvency of the debtor and no guarantees are otherwise available from any third party on behalf of the debtor. This is the approach even if enforcement activities have already been initiated.

Refer to Note 1(c) for further discussion on the determination of impairment losses on financial assets.

(k) Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

(l) 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).

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 ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(m) Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured in accordance with the model set out in Note 12. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting term, based on the Company's estimate of shares that will eventually vest.

In relation to the acquisition of assets the fair value of the equity issued is used to approximate the fair value of the asset acquired where the fair value of the project has not otherwise been determined reliably.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

(o) Critical Accounting Estimates and Judgements

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

Key estimates

(i) Impairment

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

(ii) Share-based Payments

The values of amounts recognised in respect of share-based payments have been estimated based on grant date fair value of the options. To estimate the fair value an option model has been used. There are many variable assumptions used as inputs into the model (which have been detailed in Note 12). If any assumptions or estimates were to change this could have a significant effect on the amounts recognised.

(iii) Exploration Expenditure

Exploration expenditure is capitalised where the Company holds a current tenement. The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of a view that such expenditure should not be written off since feasibility studies in such areas have yet to be concluded.

(p) Earnings per Share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS**

Note 1: Summary of Significant Accounting Policies (continued)
(q) New Accounting Standards and Interpretations
Standards and Interpretations issued but not yet effective

AASB 2020-3 Annual Improvements 2018-2020 (applicable to annual reporting periods beginning on or after 1 January 2022).

AASB 2020-3 amends AASB 116 Property, Plant and Equipment to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset. The Company currently recognises sales proceeds from its oil wells against exploration and evaluation assets, this will be changed to recognise these pre commissioning sales and an appropriate cost of goods sold from the date of implementation of this amendment.

Other Amending Accounting Standards and Interpretations

The other relevant accounting amendments and interpretations effective for the current reporting period are:

AASB 2020-8 Amendments to Australia Accounting Standards – Interest Rate Benchmark Reform – Phase 2.

The adoption of the amendments and interpretations have not resulted in any changes to the Company's accounting policies and has not effect on the amounts reported for the current or prior periods.

Note 2: Profit/(loss) before Income Tax

Profit/(loss) before income tax from continuing operations includes the following items:

	2022	2021
	\$	\$
Revenue		
Interest received from financial institutions	1,308	-
Expenses		
Depreciation of non-current assets	862	-
Rental expense on operating lease	34,364	-
Share-based payment expenses	344,582	122,640
Auditor's remuneration:		
Audit and review expense		
- SW Audit	10,000	-
- Walker Wayland (Audit) WA Pty Ltd	6 253	6,153

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 3: Income Tax

	2022	2021
	\$	\$
(a) Income Tax Expense		
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:		
Loss from continuing operations before tax	<u>(891,140)</u>	<u>(188,488)</u>
Income tax benefit calculated at 30% (2021: 26%)	(267,342)	(49,007)
Non-deductible expenses	104,656	2,894
Temporary differences not brought to account as a deferred tax asset	(117,409)	(53,351)
Current year tax losses not brought to account	<u>280,095</u>	<u>99,464</u>
Income tax benefit at effective rate of 0% (2021: 0%)	<u>-</u>	<u>-</u>
(b) Deferred Tax Liabilities		
	2022	2021
	\$	\$
Exploration and evaluation	135,180	35,191
Prepayments	38,854	9,552
Other	4,179	-
	<u>178,213</u>	<u>44,743</u>
(c) Deferred Tax Assets		
	2022	2021
	\$	\$
Blackhole expenditure	116,650	11,083
Tax losses – revenue recognised	61,564	33,660
Recognised deferred tax assets	<u>178,214</u>	<u>44,743</u>
The deferred tax assets and deferred tax liabilities are recognized and fully offset.		
Deferred tax assets not recognized		
Unrecognised revenue tax losses	<u>976,417</u>	<u>116,518</u>
Tax effect of deferred tax assets not recognised	<u>292,925</u>	<u>30,815</u>

The net deferred tax asset arising from the tax losses has not been recognized as an asset in the statement of financial position because recovery is not probable.

The revenue tax losses do not expire, however, the taxation benefit of the tax losses will only be obtained if:

- (i) assessable income is derived of a nature and of an amount sufficient to enable the benefits to be realised;
- (ii) conditions for deductibility imposed by law are complied with; and
- (iii) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

**ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS**

Note 4: Key Management Personnel Compensation

The compensation paid to Key Management Personnel of the Company is set out below. Please refer to the Remuneration Report in the Directors' Report for further information:

	2022	2021
	\$	\$
Short-term benefits	115,223	16,840
Post-employment benefits	1,389	-
Share-based payments	344,582	122,640
	<u>461,194</u>	<u>139,480</u>

The compensation paid to employees of the Company is set out below. It is less that the amount paid to Key Management Personnel due to Director and Company Secretarial fees being classified as consulting expenses as set out in the respective Service Agreements:

	2022	2021
	\$	\$
Wages and salaries	58,783	-
Superannuation	5,767	-
Total employee compensation	<u>64,550</u>	<u>-</u>

Note 5: Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank	<u>4,913,074</u>	<u>780,445</u>

Cash at bank is equivalent to cash in the cashflow statement.

Note 6: Trade and Other Receivables

	2022	2021
	\$	\$
Current		
Sundry debtors	23,137	-
GST refundable	57,654	19,608
	<u>80,791</u>	<u>19,608</u>

The carrying amounts of trade and other receivables are assumed to be the same as their fair values, due to their short-term nature. There is no expected credit loss.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 7: Other Current Assets

	2022	2021
	\$	\$
Current		
Prepayments	129,515	36,737
Other assets	76,965	35,125
	<u>206,480</u>	<u>71,862</u>

Other assets represent non-license application costs incurred on mineral exploration tenements, still in the process of being granted at balance date

Note 8: Mineral Exploration and Evaluation

	2022	2021
	\$	\$
Non-current		
Mineral exploration and evaluation costs	598,193	172,041
Exploration and evaluation phase:		
Movement:		
Opening balance exploration and evaluation	172,041	17,971
Exploration and evaluation capitalised	426,152	154,070
Closing balance exploration and evaluation	<u>598,193</u>	<u>172,041</u>

The Company's title to certain tenements is subject to statutory approval and may be subject to outcomes of Native Title Issues. Included within amounts capitalised were share-based payments for acquisitions totaling \$106,000. The recoupment of costs carried forward in relation to areas of interest in exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective area.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 9: Property, Plant and Equipment

	2022	2021
	\$	\$
Current		
Office equipment	3,596	-
Accumulated depreciation	<u>(239)</u>	<u>-</u>
	<u>3,357</u>	<u>-</u>
Computers	11,068	-
Accumulated depreciation	<u>(496)</u>	<u>-</u>
	<u>10,572</u>	<u>-</u>
	<u>13,929</u>	<u>-</u>

Reconciliation of the written down values at the beginning and end of the current financial year are set out below:

	Office equipment	Computers	Total
	\$	\$	\$
Balance at 1 July 2021	-	-	-
Additions	4,460	11,068	15,528
Disposals	(737)	-	(737)
Depreciation expense	<u>(366)</u>	<u>(496)</u>	<u>(862)</u>
Balance at 30 June 2022	<u>3,357</u>	<u>10,572</u>	<u>13,929</u>

Note 10: Trade and Other Payables

	2022	2021
	\$	\$
Current		
Trade and other payables	79,640	40,262
	<u>79,640</u>	<u>40,262</u>

The average credit period on purchases is 30 days.
There is no interest charged on payables.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 11: Issued Capital

Issued Shares	2022		2021	
	Number	\$	Number	\$
Ordinary shares fully paid	84,511,665	6,218,184	42,731,665	1,073,049
Movements in ordinary share capital:				
			Number of shares	\$
Opening balance 1 July 2020			6,400	6,400
Share split 100:1 on 6 August 2020			633,600	-
Issue of shares 6 August 2020 - founders			6,475,000	77,600
Issue of shares pursuant to Seed Information Memorandum			8,370,332	1,004,440
Share split 5:4 on 19 June 2021			3,871,333	-
Issue of shares on exercise of founder options			23,375,000	18,700
Share issue costs			-	(34,091)
Closing balance 30 June 2021			<u>42,731,665</u>	<u>1,073,049</u>
Opening balance 1 July 2021			42,731,665	1,073,049
Issue of shares on 13 September 2021 on exercise of options			1,250,000	120,000
Issue of shares on 13 October 2021 on exercise of founders' options			9,000,000	7,200
Issue of shares on 13 October 2021 on placement			2,000,000	40,000
Issue of shares on 28 October 2021 on placement			4,000,000	400,000
Issue of shares on 19 November 2021 pursuant to acquisition of tenements			530,000	106,000
Issue of shares on admission to ASX on 28 April 2022			25,000,000	5,000,000
Transfer from share options reserve			-	313,047
Share issue costs			-	(841,112)
Closing balance 30 June 2022			<u>84,511,665</u>	<u>6,218,184</u>

Note 12: Reserves

Share Option Reserve	2022	2021
	\$	\$
Opening balance	122,640	-
Share based payments	788,185	122,640
Options exercised	(313,047)	-
Options expired	(154,175)	-
Closing balance	<u>443,603</u>	<u>122,640</u>

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 12: Reserves (cont.)
No.
Numbers of Options on Issue

Opening balance 1 July 2020	-
Founder options issued 6 August 2020	25,900,000
Options issued pursuant to share split 5:4 on 19 June 2021	6,475,000
Options exercised on 23 June 2021	<u>(23,375,000)</u>
Closing balance 30 June 2021	<u>9,000,000</u>
Opening balance 1 July 2021	9,000,000
Options exercised on 13 October 2021	(9,000,000)
Options issued on 23 July 2021 Directors' sign-on	2,500,000
Options exercised on 13 September 2021	(1,250,000)
Options expired on 27 October 2021	(1,250,000)
Options issued to advisor on 2 May 2022	<u>5,000,000</u>
Closing balance 30 June 2022	<u>5,000,000</u>

The share option reserve arises as the share options granted vest over the vesting period. Amounts are transferred out of the reserve and into issued capital when options are exercised. The fair value of options was calculated using the Hoadleys Employee Stock Option Model valuation (Founders' Options) and the Black Scholes model (Director sign-on options and Advisor options) and respective methodologies. The following inputs were used:

Input	Founders' Option	Director sign-on options	Advisor Options
Exercise price	\$0.001	\$0.096	\$0.25
Share price	\$0.006394	\$0.20000	\$0.20000
Grant date	6th August 2020	23rd July 2021	2nd May 2022
Vesting date	6th August 2020	23rd July 2021	2nd May 2022
Expected volatility	140%	105.32%	101.80%
Volatility basis	Historical	Historical	Historical
Expiry date	6th August 2025	27th October 2021	2nd November 2025
Expected dividends	Nil	Nil	Nil
Risk free rate	0.404%	-0.001%	1.50%
Value per option	\$0.006394	\$0.1233	\$0.08872
Number of options	25,900,000	2,500,000	5,000,000
Value of options	\$158,871	\$308,350	\$443,603
Expensed to 30 June 2022	\$158,871	\$308,350	\$443,603

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 12: Reserves (cont.)
Options on Issue

Expiry date	6/8/2025	27/10/2021	2/11/2025	Weighted average exercise price	Weighted average contractual life remaining (months)
	Founders	Directors' sign-on	Advisor		
Exercise Price	\$0.0008	\$0.0960	\$0.2500		
Opening 1 July 2021	9,000,000	-	-	\$0.0008	
Issued	-	2,500,000	5,000,000	\$0.1987	
Exercised	(9,000,000)	(1,250,000)	-	\$0.0124	
Expired	-	(1,250,000)	-	\$0.0960	
Closing 30 June 2022	-	-	5,000,000	\$0.2500	40.0

Note 13: Non-cash Investing and Financing Activity

	2022	2021
	\$	\$
Shares issued for acquisition of tenement in Argyle	106,000	-

The Company issued 530,000 ordinary shares to the vendors of a tenement located in the Argyle region of Western Australia. The shares were valued at \$0.20 per share.

Note 14: Capital and Leasing Commitments

The Company prepaid a 3-month rental extension to 30 September 2022, on an office in West Perth – refer to Note 7.

Exploration Expenditure Commitments:

The Company has minimum statutory commitments as at 30 June 2022 as conditions of tenure of certain granted exploration tenements of:

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Minimum exploration expenditure commitments	155,000	80,000	465,973	297,534	-	-	620,973	40,262

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 14: Capital and Leasing Commitments (cont.)

Tenement Purchase Commitments:

On the 9th June 2021 the Company entered into an agreement with Pathfinder Exploration Pty Ltd and Norvale Pty Ltd (“Sellers”) and agreed to purchase 100% of the Sellers right, title and interest in Tenement E80/5524.

As per the terms of the agreement the Company issued 530,000 fully paid ordinary shares to the Sellers as Initial Consideration Shares on 19 November 2021 (refer to Note 13).

In addition to this the Company will also pay \$100,000 to the Sellers as Deferred Consideration at the time the Company makes an announcement that the Company intends to commence production and thereafter, upon production and sales, the Company will pay a 2.5% net profit Royalty on all minerals recovered from this tenement.

Note 15: Contingent Liabilities and Contingent Assets

There are no contingent liabilities and contingent assets noted by the management. (2021: \$nil)

Note 16: Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Note 17: Cash Flow Information

Reconciliation of cash flows from operating activities with loss for the year

	2022	2021
	\$	\$
Net loss	(891,140)	(180,488)
Non-cash expenses:		
Share based payment expense	344,582	122,640
Loss on disposal of property, plant and equipment	737	-
Depreciation expense	862	-
Changes in assets and liabilities:		
Movement in trade and other receivables	(60,080)	(19,406)
Movement in other current assets	(134,618)	(71,862)
Movement in trade and other payables	29,481	4,203
	<u>(710,176)</u>	<u>(144,913)</u>

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 18: Statement of Operations by Segment

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company operates solely in the natural resources exploration industry in Australia and has determined that this is the only operating segment. The Company is predominantly involved in mineral exploration and development. As the company has only one operating segment no additional financial information has been disclosed.

Note 19: Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks; accounts receivable and payable; and loans made to related parties and investment loans.

The totals for each category of financial instruments measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies, are as follows:

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	4,913,074	780,445
Trade and other receivables	80,791	19,608
	<u>4,993,865</u>	<u>800,053</u>
FINANCIAL LIABILITIES		
Trade and other payables	79,640	40,262
	<u>79,640</u>	<u>40,262</u>

Financial assets and financial liabilities are at amortised cost.

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables.



ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 19: Financial Risk Management (continued)

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company is not currently exposed to any significant liquidity risk on the basis that the realisable value of financial assets is significantly greater than the financial liabilities due for settlement. The Company manages its liquidity risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 19: Financial Risk Management (continued)
Financial liability and financial asset maturity analysis

	Note	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
Financial liabilities due									
Trade and other payables	10	79,640	40,262	-	-	-	-	79,640	40,262
Total expected outflows		79,640	40,262	-	-	-	-	79,640	40,262
Financial assets realisable									
Cash and cash equivalents	5	4,913,074	780,445	-	-	-	-	4,913,074	780,445
Trade and other receivables	6	80,791	19,608	-	-	-	-	80,791	19,608
Total anticipated inflows		4,993,865	800,053	-	-	-	-	4,993,865	800,053
Net inflow/ (outflow)		4,914,225	759,791	-	-	-	-	4,914,225	759,791

(c) Market Risk
(i) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective average interest rates in classes of financial assets and liabilities is as follows:

2022	Average Effective Interest Rate	Fixed Interest Rate	Floating Interest rate	Non-Interest Bearing	Total
	%	\$	\$	\$	\$
Financial Assets:					
Operating accounts	-	-	-	106,766	106,766
11am interest account	0.32%	-	4,806,308	-	4,806,308
Trade and other receivables	-	-	-	80,791	80,791
		-	4,806,308	187,557	4,993,865
Financial Liabilities:					
Accounts payable	-	-	-	79,640	79,640
		-	-	79,640	79,640

ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 19: Financial Risk Management (continued)

2021	Average Effective Interest Rate	Fixed Interest Rate	Floating Interest rate	Non-Interest Bearing	Total
	%	\$	\$	\$	\$
Financial Assets:					
Operating accounts	-	-	-	780,445	780,445
Trade and other receivables	-	-	-	19,608	19,608
		-	-	800,053	800,053
Financial Liabilities:					
Accounts payable	-	-	-	40,262	40,262
		-	-	40,262	40,262

(ii) Commodity Price Risk

The Company is exposed to commodity price risk. Commodity prices can be volatile and are influenced by factors beyond the Company's control. As the Company is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

Note 20: Fair Value Measurements

The net fair value of financial assets and financial liabilities of the Company approximates their carrying amount as presented on the statement of the financial position and in the notes to and forming part of the financial statements.

Note 21: Related Parties Transactions

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise.

Key Management Personnel Compensation

Details of Key Management Personnel compensation are disclosed in Note 4 to the financial statements.

Other transactions with director related entities

An entity association with Gavin Ball provided consumables, equipment and other digital services to the Company during the year amounting to \$3,835 (30 June 2021: \$1,251).

**ALLUP SILICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS**

Note 22: Earnings per Share

	2022	2021
	Cents	Cents
Basic loss per share (cents per share)	(1.5104)	(1.3462)
Diluted loss per share (cents per share)	(1.5104)	(1.3462)
	2022	2021
	\$	\$
Basic Earnings per Share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Loss after income tax	(891,140)	(180,488)
	2022	2021
	No.	No.
Weighted average number of ordinary shares	58,998,706	13,407,696
Weighted number of dilutive ordinary shares	N/A	N/A

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLUP SILICA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Allup Silica Limited (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 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:

- a. giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended, and
- b. 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 & 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Exploration and Evaluation of Mineral Assets

Key audit matter	How our audit addressed the key audit matter
<p>Note 8 Mineral exploration and evaluation</p> <p>At 30 June 2022 the carrying value of exploration and evaluation assets was \$598,193.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves significant management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining the reconciliation of exploration and evaluation assets and agreeing it to the general ledger. • Reviewing management’s area of interest considerations against AASB 6. • Conducting a detailed evaluation of management’s assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> ○ Tracing projects to statutory registers, exploration licences and third-party confirmations to determine whether a right of tenure existed ○ Enquiring of management regarding the intentions to carry out exploration and evaluation activity in the relevant exploration area, including assessing management’s budgeted expenditure ○ Understanding whether data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale, and ○ Evaluating the competence, capabilities and objectivity of management’s experts in the evaluation of potential impairment triggers. • Assessing the appropriateness of the financial statement disclosures associated with exploration and evaluation assets.

2. Share-Based Payments

Key audit matter	How our audit addressed the key audit matter
<p>Note 1(p) Reserves</p> <p>The Company entered into share-based payment arrangements during the year, including the:</p> <ul style="list-style-type: none"> • issue of 2,500,000 share options with no vesting conditions, and with an expiry date being the earlier of the date the Company lodges its application to list its securities on the Australian Securities Exchange (ASX) or 12 months from the grant date, and • issue of 5,000,000 share options to an advisor to the listing on ASX with no vesting conditions. <p>Each of these arrangements required significant judgments and estimations by management, including the following:</p> <ul style="list-style-type: none"> • evaluation of the grant date of each arrangement, and the evaluation of the fair value of the underlying share price of the company as at that grant date • evaluation of the vesting expense taken to the profit or loss in-respect of the accrual of service and performance conditions attached to those share-based payment arrangements, and • the evaluation of key inputs into the Black-Scholes option pricing model, including the significant judgment of the forecast volatility of the share option over its exercise period. <p>The results of these share-based payment arrangements materially affect the profit or loss and share issue costs recognised in issued capital which requires judgement as to valuation and how the amounts should be recognised.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluating the fair value of the share-based payment arrangements by agreeing assumptions to third party evidence. • Determining the grant dates, including evaluating what were the most appropriate dates based on the terms and conditions of the share-based payment arrangements. • Evaluating the progress of the vesting of share-based payments with performance milestones, we evaluated the directors' assessment of the likely success or failure of achieving those milestones. • Assessing the vesting of service conditions, and evaluating the expensing or treatment as share issue costs of each share-based payment tranche granted to the arrangement's beneficiaries. • For the specific application of the valuation model, we assessed the experience of the external expert used to advise the value of the arrangement. • Retesting the assumptions used in the model and recalculated those fair values using our valuation experts, this included • Reconciling the vesting of these share-based payment arrangements to the profit or loss and issued capital. • Assessing the disclosures made in the financial statements.

3. Initial Public Offering Cost Recognition

Key audit matter	How our audit addressed the key audit matter
<p>Note 11 Issued capital</p> <p>The Company was admitted to ASX on 28 April 2022. The Company made an Initial Public Offering (IPO) of 25,000,000 shares raising \$5,000,000. The Company incurred costs to list on the ASX and raise capital.</p> <p>The Company must apply judgement to identify whether costs incurred should be recognised as an expense as they are associated with the listing, should be offset against issued capital as they are associated with the capital raising or should be apportioned between expenses and issued capital as they are to do with both the listing and capital raising. As a result, this area is considered a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Performing sample testing of IPO costs. • Assessing the classification of costs between issued capital and expenses for reasonableness. • Considering the adequacy of disclosures for IPO related costs.

Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual financial report for the year ended 30 June 2022 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, 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 Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have 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 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- 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 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.

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, actions taken to eliminate threats or safeguards applied.

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 the 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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 37 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Allup Silica Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

SW Audit

SW Audit (formerly ShineWing Australia)
Chartered Accountants



Richard Gregson
Partner

Perth, 23 September 2022



ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 16 September 2022:

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding):	Holders	Number	
		Shares	% of issued capital
1–1,000	9	3,482	0.00%
1,001–5,000	32	122,315	0.14%
5,001–10,000	134	1,283,848	1.52%
10,001–100,000	277	12,447,346	14.73%
100,001 and over	91	70,654,674	83.60%
	543	84,511,665	100.00%

b. The number of shareholdings held in less than marketable parcels is 44 holding 142,174 shares

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder:	Number	
	Ordinary	% of issued capital
VORIAN INVESTMENT (HOLDINGS) PTY LIMITED <VORIAN INVESTMENT TRUST>	12,243,749	14.48%
TESHA PTY LTD <THE NIMROD TRUST>	11,500,000	13.61%
SPURS GEOLOGICAL SERVICES PTY LTD	11,500,000	13.61%

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called; otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders – Ordinary Shares**

Position	Holder Name	Holding	% IC
1	VORIAN INVESTMENT (HOLDINGS) PTY LIMITED <VORIAN INVESTMENT TRUST>	12,243,749	14.48%
2	TESHA PTY LTD <THE NIMROD TRUST>	11,500,000	13.61%
2	SPURS GEOLOGICAL SERVICES PTY LTD	11,500,000	13.61%
3	MAL SUPER FUND PTY LTD <MAL SUPERANNUATION FUND>	3,625,000	4.29%
4	LYNDHURST ENTERPRISES PTY LTD	2,500,000	2.96%
5	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY>	2,300,000	2.72%
6	JOHN CAMPBELL SMYTH & ANN NOVELLO HOGARTH <SMYTH SUPER FUND>	3,614,219	2.71%
	MR JOHN CAMPBELL SMYTH <SMYTH SUPER FUND A/C>		
7	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	1,927,473	2.28%
8	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	1,500,000	1.77%
9	PETER SECKER	1,041,666	1.23%



9	VYNBEN PENSION PTY LTD <MARK HOHNEN PENSION FUND>	1,041,666	1.23%
10	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,002,547	1.19%
11	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	700,000	0.83%
12	INGLEWOOD LODGE PTY LTD	625,000	0.74%
13	NYSHA INVESTMENTS PTY LTD <SANGHAVI FAMILY A/C>	575,000	0.68%
14	ZORAN BEBIC <BEBIC FAMILY ACCOUNT>	520,834	0.62%
14	MR FRANK HOEGEL	520,834	0.62%
15	ONE MANAGED INVESTMENT FUNDS LIMITED <TI ABSOLUTE RETURN A/C>	500,000	0.59%
16	SEA WOLF HOLDING COMPANY PTY LTD	500,000	0.59%
17	SAFINIA PTY LTD	400,000	0.47%
18	MR SVEN OSCAR OLSSON	368,750	0.44%
19	FORMICA INVESTMENTS PTY LTD <THE FORMICA FAMILY S/F A/C>	325,000	0.38%
20	LOFTUS GROUP LIMITED	323,185	0.38%
	Total	59,154,923	70.00%
	Total issued capital - selected security class(es)	84,511,665	100.00%

- The name of the Company secretary is Ben Donovan
- The address of the principal registered office in Australia is Ground Floor, 18 Kings Park Road, West Perth WA 6005
Telephone 1300 SILICA.
- Registers of securities are held at the following addresses:
Automic
Level 5, 191 St
Georges Terrace
Perth WA 6000
- Stock Exchange Listing**
Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.
- Unquoted Securities**

Options over unissued shares

A total of 5,000,000 options are on issue, held by 14 holders All options are held by unrelated parties.

The following parties hold more than 20%:

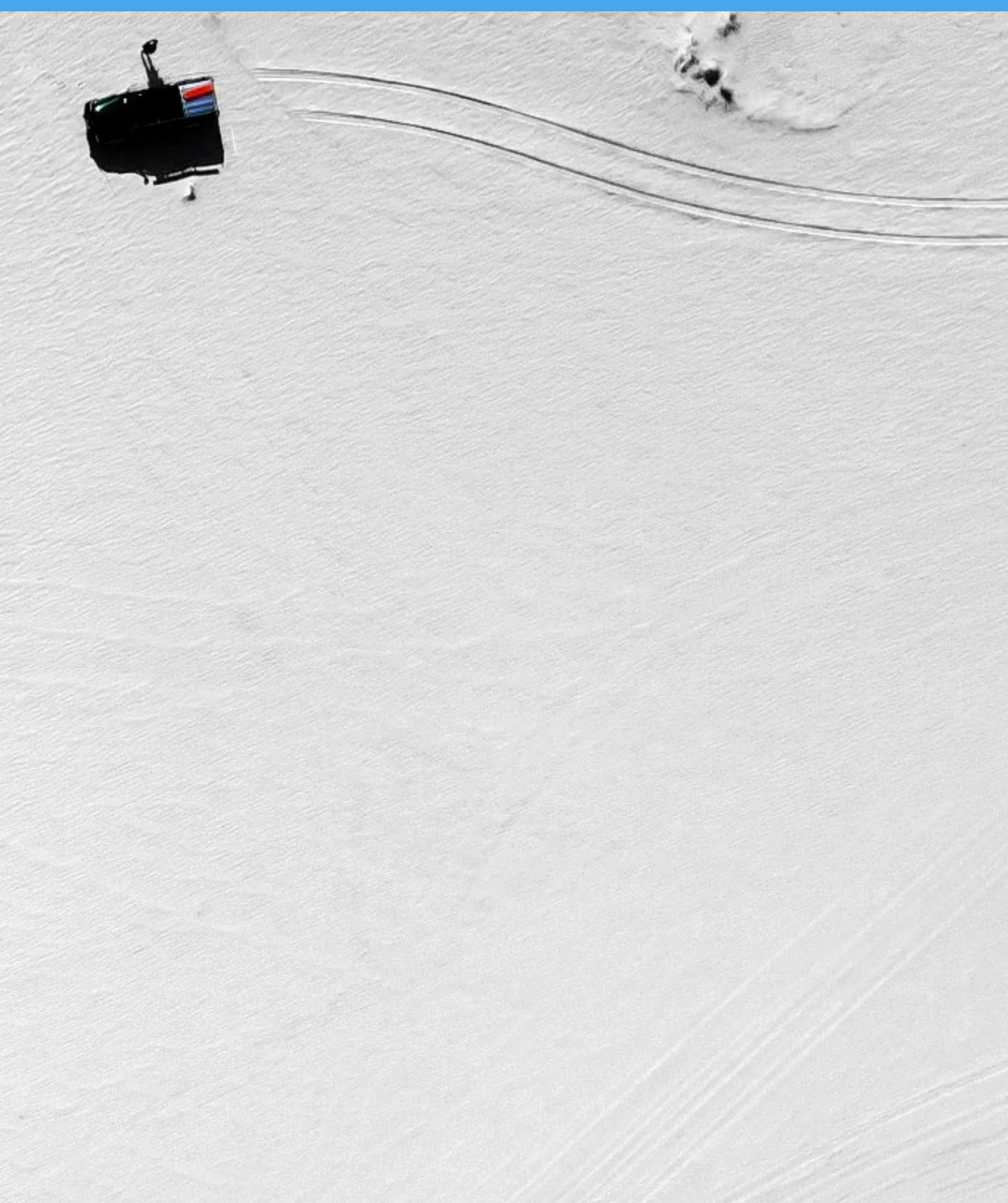
Position	Holder Name	Holding	% IC
1	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY>	1,898,680	37.97%

7. Other Disclosures

The Company has no share buy-back in place.

A total of 45,492,898 shares and 5,000,000 options are subject to 24 months escrow from quotation.

A total of 1,966,666 shares are escrowed for 12 months from their date of issue.



ALLUP SILICA

www.allupsilica.com