

Axel REE Limited

ACN 665 921 273

Annual Report - 30 June 2023

Corporate Directory

Directors	Patrick John Volpe Paul Woolrich Patrick Antonio Volpe
Company secretary	Patrick Antonio Volpe
Registered office	Suite 3 16 Cotham Road Kew VIC 3101 Phone: +61 418 172 279
Auditor	PKF Audit (Perth) Level 5 35 Havelock Street West Perth WA 6872
Solicitors	Steinepreis Paganin Level 6 99 William Street Melbourne VIC 3000

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Axel REE Limited Directors' Report For the period ended 30 June 2023

The Directors present their report, together with the financial statements, of Axel REE Limited ('Company'), which was incorporated on the 21st February 2023, for the period ended 30 June 2023.

Directors

The following persons were Directors of Axel REE Limited from incorporation on 21 February 2023 until the end of the financial period and up to the date of this report, unless otherwise stated:

Patrick John Volpe – Executive Chairman (appointed 21 February 2023)
Paul Woolrich – Non-executive Director (appointed 21 February 2023)
Patrick Antonio Volpe – Non-executive Director (appointed 21 February 2023)
Geoffrey Hui – Non-executive Director (appointed 21 February 2023, resigned 18 July 2023)

Company Secretary

Patrick Antonio Volpe – Company Secretary (appointed 21 February 2023)

Principal Activities

During the financial period the activities of the Company was developing its various rare earth elements projects across four states in Brazil.

Operating Results

The net loss after income tax for the period was (\$17,000).

Dividends

No dividends were paid during the period and no dividend has been declared for the period ended 30 June 2023.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the period, and the number of meetings attended by each Director were:

Name	Board Meetings	
	Attended	Held ¹
Patrick J Volpe	-	-
Paul Woolrich	-	-
Patrick A Volpe	-	-
Geoffrey Hui	-	-

¹As the Company was incorporated on 21 February 2023 with minimal activity thereafter, no Board meetings were held during the period.

Interest in the Share and Options of the Company

As at the date of this report, the interest of the Directors in the shares and options of the Company were:

Name	Shares	Options
Patrick J Volpe	-	-
Paul Woolrich	-	-
Patrick A Volpe	-	-
Geoffrey Hui	-	-

Significant Changes in the State of Affairs

The Company was incorporated on 21 February 2023 as an unlisted public company limited by shares and a wholly-owned subsidiary of Foxfire Metals Pty Ltd (**Foxfire Metals**), for the primary purpose of acquiring, exploring and developing rare earth elements projects in Brazil.

Axel REE Limited Directors' Report (cont'd)

For the period ended 30 June 2023

On 26 April 2023, the Company entered into convertible note agreements with Foxfire Metals Pty Ltd (**Foxfire Metals**) and two other wholly-owned subsidiaries of Foxfire Metals, pursuant to which Foxfire Metals raised \$1,813,319 (**Convertible Notes**). Under the terms of the Convertible Notes, one third of the Convertible Notes shall convert and the Company is obligated to issue 10,073,945 Shares at an issue price of \$0.06 per Share to Foxfire Metals on the condition the Company receives in-principal advice that a listing on the ASX would be approved by the ASX (subject to conditions imposed by the ASX) on or before 31 March 2024. The Company shall receive \$604,440 in cash at the time of issuing Shares to Foxfire Metals under the Convertible Note.

On 17 July 2023, Mr Geoffrey Hui resigned as non-executive Director of the Company.

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

Matters Subsequent to the End of the Financial Period

There were no matters subsequent to the end of the financial period.

Environmental Regulation

The Company is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

Indemnity and Insurance of Officers or Auditors

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial period, to any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of the Company

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

Officers of the Company Who are Former Partners of PKF Audit (Perth)

There are no officers of the Company who are former partners of PKF Audit (Perth).

Audit and Non-audit Services

Details of the amounts paid or payable to the auditor (PKF Audit) for audit and non-audit services during the period are disclosed in note 11.

Auditor's Independence Declaration

A copy of the auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

PLF Audit (Perth) continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the Directors



Patrick John Volpe
Chairman

19 September 2023

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AXEL REE LIMITED

In relation to our audit of the financial report of Axel Ree Limited for the year ended 30 June 2023, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

Simon Fermanis

SIMON FERMANIS
PARTNER

19 September 2023
WEST PERTH,
WESTERN AUSTRALIA

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Liability limited by a scheme approved under Professional Standards Legislation.

Axel REE Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2023

	Note	21 February 2023 to 30 June 2023 \$
Revenue from continuing operations		
Expenses		
Corporate and administration costs		(17,000)
Loss before income tax expense from continuing operations		(17,000)
Income tax expense	8	-
Loss from continuing operations for the period		(17,000)
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period		(17,000)

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

Axel REE Limited
Statement of Financial position
As at 30 June 2023

	Note	2023 \$
Current Assets		
Cash and cash equivalents	3	1
Trade and other receivable	4	1,200
Total current assets		1,201
Total assets		1,201
Liabilities		
Current Liabilities		
Trade and other payables	5	18,200
Total current liabilities		18,200
Total liabilities		18,200
Net Assets/(Liabilities)		(16,999)
Equity		
Issued capital	6	1
Accumulated Losses		(17,000)
Total Equity/(Deficiency)		(16,999)

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

Axel REE Limited
Statement of Changes in Equity
For the period ended 30 June 2023

	Notes	Issued Capital \$	Accumulated Losses \$	Total \$
Incorporated on 21 February 2023				
Loss for the Period		-	(17,000)	(17,000)
Other Comprehensive Loss		-	-	-
Total Comprehensive Loss		-	(17,000)	(17,000)
Proceeds from Shares Issued	6	1	-	1
Balance as at 30 June 2023		1	(17,000)	(16,999)

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

Axel REE Limited
Statement of Cash Flows
For the period ended 30 June 2023

	Notes	21 February 2023 to 30 June 2023 \$
Cash flows from operating activities		
Payment to suppliers and employees		-
Net cashflows used in operating activities		-
Cash flows from investing activities		
Net cashflows from investing activities		-
Cash flows from financing activities		
Proceeds from Shares issued		1
Net cashflows from financing activities		1
Net increase in cash and cash equivalents		1
Cash and cash equivalents at beginning of financial period		-
Cash and cash equivalents at end of financial period	3	1

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Axel REE Limited

Notes to the Financial Statements

For the period ended 30 June 2023

Note 1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied since the Company's incorporation on 21 February 2023. The financial period ended 30 June 2023 is the Company's first Financial Statements, therefore there are no comparisons for previous years.

New or Amended Accounting Standards and Interpretations Adopted

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

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

Basis of Preparation

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

Except for the statement of cash flows, the financial statements have been prepared on an accruals 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

Going concern

The Company incurred a loss of \$17,000 for the period ended 30 June 2023. In addition, the Company has a working capital deficiency of \$16,999. Cash and cash equivalents at the year-end amounted to \$1.

The ability of the Company to continue as a going concern is dependent on a combination of a number of factors, the most significant of which is the ability of the company to raise additional funds in the following 12 months through issuing additional shares.

These factors indicate a material uncertainty exists, that may cast significant doubt as to whether the Company will continue as going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Axel REE Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2023

Current and Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

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

Impairment of Non-financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and Other Payables

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

Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Axel REE Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2023

Goods and Services Tax ('GST') and Other Similar Taxes

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

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

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

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

Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the period 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.

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.

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.

New Accounting Standards and Interpretations not yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Axel REE Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2023

Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If after expenditure is capitalised information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the Statement of Profit or Loss in the period when the new information becomes available.

Note 3. Cash and Cash Equivalents

	2023 \$
Cash at Bank	1
Total Cash and Cash Equivalents	1

Note 4. Trade and other receivables

	2023 \$
GST receivable	1,200
Total trade and other receivables	1,200

Note 5. Trade and other Payables

	2023 \$
Trade creditors	18,200
Total trade and other payables	18,200

Note 6. Issued Capital

	No. of Shares	2023 \$
Ordinary Shares fully paid	1	1

Movement in Shares on Issue

	No. of Shares	2023 \$
Ordinary shares at beginning of period	-	-
Shares issued during the period (company startup share issue)	1	1
Share issue costs	-	-
Closing balance	1	1

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

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

Axel REE Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2023

Note 7. Reconciliation of Net Loss After Income Tax to Net Cash Flow from Operations

	2023 \$
Net loss after income tax	(17,000)
Change in operating assets and liabilities:	
(Increase)/Decrease in trade and other receivables	(1,200)
Increase/(Decrease) in trade and other payables	18,200
Net cash flow from operations	<u>-</u>

Note 8. Income Tax Expense

	2023 \$
a) Income tax expense/(benefit)	
Current tax	
Current tax on profit/(loss) for the period	-
Deferred income tax	
Other deferred tax assets and liabilities not recognised	-
Total deferred tax expense/(benefit)	<u>-</u>
Income tax expense/(benefit)	<u>-</u>

	2023 \$
b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable/(asset)	
Profit/(loss) from continuing operations before income tax expense/(benefit)	(17,000)
Tax at the Australian tax rate of 25%	(4,250)
Unrecognised carry forward losses	4,250
Income tax expense/(benefit)	<u>-</u>

	2023 \$
c) Tax losses	
Unused tax losses for which no deferred tax assets have been recognised	<u>(4,250)</u>
Income tax expense/(benefit)	<u>(4,250)</u>

Note 9. Events After Balance Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in future financial periods.

Note 10. Financial Instruments

Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Axel REE Limited

Notes to the Financial Statements (cont'd)

For the period ended 30 June 2023

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Company's operating units. Finance reports to the Board on a monthly basis.

Price Risk

The Company is not exposed to any significant price risk.

Interest Rate Risk

The Company is not exposed to any significant interest rate risk at reporting period.

Credit Risk

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

The Company has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Company based on recent sales experience, historical collection rates and forward-looking information that is available.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's liquidity risk arises from other financial liabilities and trade and other payables, together comprising the Company's financial liabilities.

Axel REE Limited

Directors' Declaration

For the period ended 30 June 2023

Fair Values

Fair values versus carrying amounts

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2023 \$	Fair value
Trade and other receivables	1,200	1,200
Trade and other payables	(18,200)	(18,200)

The Directors consider the carrying amount of the financial assets and financial liabilities to be a reasonable approximation of their fair value on account of the short maturity cycle.

Note 11. Auditor's Remuneration

	2023 \$
Audit Services	
Amounts received or due for audit of the financial report of the Company	5,000
Total remuneration for audit & non-audit services	5,000

Note 12. Director and Executive Disclosures

Details of Key Management Personnel

- Patrick John Volpe– Executive Chairman (appointed 21 February 2023)
- Paul Woolrich – Non-Executive Director (appointed 21 February 2023)
- Patrick Antonio Volpe – Non-executive Director (appointed 21 February 2023)

Compensation of Key Management Personnel

Patrick Antonio Volpe, non-executive director and company secretary of the Company, accrued management fees totaling \$12,000 during the period ended 30 June 2023 via Archikan Holdings Pty Ltd <JAP Trust>, an entity which Patrick Volpe is a director, shareholder and beneficial owner.

Note 13. Contingent Liabilities and Commitments

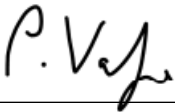
On 26 April 2023, the Company entered into convertible note agreements with Foxfire Metals Pty Ltd (**Foxfire Metals**) and two other wholly-owned subsidiaries of Foxfire Metals, pursuant to which Foxfire Metals raised approx. \$1,800,000 (**Convertible Notes**). Under the terms of the Convertible Notes, one third of the Convertible Notes shall convert and the Company is obligated to issue 10,000,000 Shares at an issue price of \$0.06 per Share to Foxfire Metals on the condition the Company receives in-principal advice that a listing on the ASX would be approved by the ASX (subject to conditions imposed by the ASX) on or before 31 March 2024 and the demerger from Foxfire Metals.

Axel REE Limited
Directors' Declaration
For the period ended 30 June 2023

In the Director's Opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial period ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Patrick John Volpe
Chairman

19 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXEL REE LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Axel Ree Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company.

In our opinion the accompanying financial report of Axel Ree Limited is 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 2023 and its performance for the period ended on that date; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to the financial report which highlights that the Company was in a negative asset position at year end. These conditions along with other matters referred to in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance 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 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, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 entity's internal control.

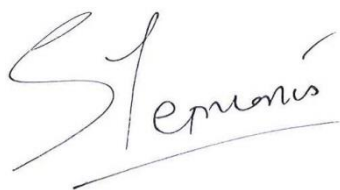
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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.

PKF Perth

PKF PERTH



SIMON FERMANIS
PARTNER

19 September 2023
WEST PERTH,
WESTERN AUSTRALIA