



Lykos Metals Limited

ABN 65 650 011 644

Financial Report

For the period from incorporation on 6 May 2021
to 31 July 2021

Table of Contents

Directors' Report 1

Auditor's Independence Declaration4

Statement of Profit or Loss and Other Comprehensive Income 5

Statement of Financial Position6

Statement of Changes in Equity 7

Statement of Cash Flows8

Notes to the Financial Statements..... 9

Directors' Declaration 14

Independent Auditor's Report.....15

Lykos Metals Limited

ABN 65 650 011 644

Directors' Report

The directors present their report, together with the financial statements, on Lykos Metals Limited (the "Company") for the period 6 May 2021 to 31 July 2021.

Directors

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

Stephen Allen – appointed 6 May 2021 and resigned 21 July 2021

Milos Bosnjakovic – appointed 6 May 2021

Jonathan Murray – appointed 6 May 2021 and resigned 7 July 2021

Mladen Stevanovic – appointed 7 July 2021

Matthew Worner – appointed 7 July 2021

Principal Activity

The Company was incorporated with the intent of becoming a mineral explorer and project developer through the acquisition of tenement interest in Bosnia and Herzegovina.

Operating Results

The Company recorded a loss for the period ended 31 July 2021 of \$55,631.

Significant Changes in State of Affairs

N/A.

Events After the Balance Sheet Date

On 2 September 2021, the Company acquired 100% of the issued capital of Lykos Balkan Metals d.o.o. Bijeljina which owns 100% of the issued capital of SNK Metali d.o.o. Bijeljina, Medeni Brijeg d.o.o. Bijeljina and Braha Resources d.o.o. Zvornik. For the purposes of accounting, the transaction is not within the scope of AASB 3 *Business Combinations* and is recognised as an asset acquisition, as the assets acquired are concentrated into a group of similar identifiable assets being mineral exploration assets. Lykos Balkan Metals d.o.o. Bijeljina is deemed to be 100% beneficially owned by the Company, in that its shares are held by Milos Bosnjakovic (a director of the Company) and are in the process of being transferred to the Company.

Other than the above, no other matters have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

Future Developments

The Company expects to proceed to acquire the project interests it has targeted for acquisition in Bosnia and Herzegovina during September 2021 and to then proceed with an IPO on the Australian Securities Exchange Ltd to raise between \$10 million and \$12 million.

Environmental Reporting

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' Report

Information on Directors and Secretary in office at the date of this report

Milos Bosnjakovic

Experience Milos is a lawyer by profession with strong networks, business and political links in the Balkans and is resident of Bosnia Herzegovina

Mladen Stevanovic

Experience Mladen is an exploration geologist with experience across a range of commodities in Australia, Africa and the Balkans. Most recently Principal Geologist, Australia at Gold Fields Limited.

Matthew Worner

Experience A qualified lawyer, with a broad experience in IPO's, capital raising, ASX Listing Rules and Corporations Act issues. Matt has held management, company secretarial and board positions with various ASX and AIM listed companies.

Candice Van Der Plas (Secretary)

Experience Candice is a lawyer with significant experience in company secretarial roles

Meetings of Directors

During the financial period, 1 meeting of directors was held. Attendances by each of the directors during the period were:

	Number eligible to attend	Number attended
Stephen C Allen	1	1
Milos Bosnjakovic	1	1
Jonathan H S Murray	-	-
Mladen Stevanovic	1	1
Matthew Worner	1	1

Indemnifying Officers or Auditor

The Company has, to the extent permitted by law, entered into agreements to indemnify its directors and officers for all losses or liabilities incurred as an officer of the Company or a related company. This includes losses or liabilities incurred as an officer of a company where such office is held for the benefit of the Company.

The Company also maintains and pays for insurance against any liability incurred by its directors or officers as officers of the Company or a related company including, but not limited to, a liability for negligence and for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome. Premiums are paid on behalf of the Company by its parent. These contracts of insurance prevent disclosure of the amounts paid in premium for this insurance.

No claim has been made against or by the Company in relation to any such indemnities or insurance policies since the date of incorporation.

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

Proceedings on Behalf of the Company

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

Directors' Report

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of the directors.



Director



Director

Dated 3 September 2021

AUDITORS INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Lykos Metals Limited for the period ended 31 July 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Perth



Cyrus Patell
Partner

Signed at Perth, 3 September 2021

Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 July 2021

	6 May 2021 to 31 July 2021
	\$
Revenue from continuing operations	-
Other expenses	<u>(55,631)</u>
Loss before income tax	(55,631)
Income tax expense	<u>-</u>
Net loss after income tax for the period	(55,631)
Other comprehensive income for the period, net of tax	<u>-</u>
Total comprehensive loss for the period	<u><u>(55,631)</u></u>

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

Statement of Financial Position as at 31 July 2021

		31 July 2021
	Note	\$
Current Assets		
Cash and cash equivalents		212,986
Other receivables		7,065
Prepayments		24,320
Total Current Assets		244,371
Total Assets		244,371
NET ASSETS		244,371
Equity		
Issued capital	2	300,002
Accumulated losses		(55,631)
Total Equity		244,371

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

Statement of Changes in Equity for the period ended 31 July 2021

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 6 May 2021 (date of incorporation)	2	-	2
Total comprehensive income for the period			
Loss attributable to members of the Company	-	(55,631)	(55,631)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	2	(55,631)	(55,629)
Transaction with owners in their capacity as owners			
Shares issued	350,000	-	350,000
Share issue costs	(50,000)	-	(50,000)
Transaction with owners in their capacity as owners	300,000	-	300,000
Balance at 31 July 2021	300,002	(55,631)	244,371

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

Lykos Metals Limited

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Statement of Cash Flows for the period ended 31 July 2021

**6 May 2021 to
31 July 2021**

\$

Cash Flows From Operating Activities

Payments to suppliers (inclusive of GST)

(55,641)

Net cash (used in) operating activities

(55,641)

Cash Flows From Financing Activities

Proceeds from issue of shares

268,627

Net cash from financing activities

268,627

Net Increase in cash held

212,986

Cash at beginning of financial period

-

Cash at the end of the financial period

212,986

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

Notes to the Financial Statements for the period ended 31 July 2021

Note 1: Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a special purpose financial report which has been prepared to support a prospectus which the company is issuing in September 2021. The Directors have determined that the accounting policies adopted are appropriate to meet this purpose. The Company is a non-reporting entity as there are no users dependent on general purpose financial reports. The financial statements have been prepared in accordance with (i) the mandatory Australian Accounting Standards applicable to entities reporting under the special purpose financial reporting framework, being AASB 101, AASB 107, AASB 108, AASB 1048 and AASB 1054, as appropriate for for-profit entities; and (ii) the recognition and measurement requirements of Australian Accounting Standards, but not the disclosure requirements of these standards.

The financial report has been prepared on an accruals basis and is based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The Financial Information has been prepared on a going concern basis.

(b) Going Concern Basis of Preparation

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

The ability of the Company to continue as a going concern is principally dependent upon the success of the fundraising under a prospectus which it intends to issue in September 2021 or undertaking a whole or partial sale of interests in its mineral exploration assets acquired subsequent to 31 July 2021. Should the fundraising under the prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(c) Principles of Consolidation

Whilst it did not have any subsidiaries at 31 July 2021 it is anticipated that the Company will shortly do so and will thereafter prepare Group financial statements consolidating those of the Parent Company and all of its subsidiaries. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All transactions and balances between Group companies are eliminated on consolidation in full. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from group perspective. Amounts reported in the financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of obtaining control, or up to the effective date of loss of control, as applicable.

(d) Business combinations

The Company assesses its business combination transactions under AASB 3 – Business Combinations. In defining whether an acquisition meets the relevant definition criteria of the purchase of a business, the Company makes reference to whether the three elements of a business as per the Standards are met – whether the acquiree possesses the relevant Input, Process and Output in paragraphs B7 of Appendix B of AASB 3.

In the case where the definition of a business is not met, the Company accounts for an acquisition as an asset purchase and therefore measures the transaction in-line with the relevant policies for the classification of asset being purchased.

Notes to the Financial Statements for the period ended 31 July 2021

(e) **Foreign currency translation**

The financial statements are presented in Australian dollars, which is Lykos Metals Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(d) **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.

In Bosnia and Herzegovina, GST is equivalent to VAT which is charged on the supply of goods and services, importation of goods to Bosnia and Herzegovina, transactions at nil or below market value consideration and self-supply goods.

(f) **Exploration and evaluation**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(g) **Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other Revenue is recognised when it is received or when the right to receive payment is established.

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

(h) **Current and non-current classification**

Notes to the Financial Statements for the period ended 31 July 2021

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

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

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

(i) **Cash and cash equivalents**

Cash and cash equivalents include 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.

(j) **Trade and Other Creditors**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) **Contributed Equity**

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

(l) **Earnings Per Share**

Basic earnings per share: Basic earnings per share are determined by dividing the net loss attributable to equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(m) **Critical Accounting Estimates and Judgements**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical knowledge and experience, best available information and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(n) **Equity-settled compensation**

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option,

Notes to the Financial Statements for the period ended 31 July 2021

together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period;
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(o) Comparative Information

Comparative information has not been disclosed as the Company was incorporated on 6 May 2021.

(p) 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 reporting period ended 31 July 2021. The directors expect that none of these new standards and interpretations will materially impact these financial statements.

Note 2: Equity

The Company has issued shares during the period as follows:

Notes to the Financial Statements for the period ended 31 July 2021

	Number of shares	\$
Shares issued on incorporation	2	2
Subscription for shares for cash at 1c/share	5,000,000	50,000
Shares issued at 4c/share to settle debts incurred	784,375	31,375
Shares issued for cash at 4c/share	6,715,625	268,625
Share issue costs	-	(50,000)
Balance at 31 July 2021	<u>12,500,002</u>	<u>300,002</u>

Note 3: Related Parties

At 31 July 2021 Quadratura Investments Pty Ltd ("Quadratura") held 6,125,002 of the issued shares (49%) and Quadratura is a wholly owned subsidiary of RFC Ambrian Group Limited ("RFC Ambrian").

Related party transactions during the period were:

1. The subscription for 5,000,002 shares in the Company by Quadratura for \$50,002 in cash;
2. The payment of a cash fee of \$50,000 to RFC Ambrian for corporate finance advice;
3. The issue to Quadratura of 1,250,000 shares for the arrangement of \$250,000 in equity capital at an issue price of 4c/share; and
4. The subscription for 465,625 shares in the Company by Stephen Allen Superannuation Pty Ltd for \$18,625 in cash. A further 784,375 shares in the company were issued to Stephen Allen Superannuation Pty Ltd in lieu of costs incurred on behalf of the company, for the value of \$31,375.

Note 4: Company Details

The registered office and principal place of business of the Company is:

Lykos Metals Limited
Level 48, Central Park
152-158 St Georges Terrace
Perth WA 6000

Note 5: Subsequent Events

On 2 September 2021, the Company acquired 100% of the issued capital of Lykos Balkan Metals d.o.o. Bijeljina which owns 100% of the issued capital of SNK Metali d.o.o. Bijeljina, Medeni Brijeg d.o.o. Bijeljina and Braha Resources d.o.o. Zvornik. For the purposes of accounting, the transaction is not within the scope of AASB 3 *Business Combinations* and is recognised as an asset acquisition, as the assets acquired are concentrated into a group of similar identifiable assets being mineral exploration assets. Lykos Balkan Metals d.o.o. Bijeljina is deemed to be 100% beneficially owned by the Company, in that its shares are held by Milos Bosnjakovic (a director of the Company) and are in the process of being transferred to the Company.

Notes to the Financial Statements for the period ended 31 July 2021

Other than the above, no other matters have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

Declaration by Directors

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

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements; and
 - (b) give a true and fair view of the company's financial position as at 31 July 2021 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Director



Director

Dated 3 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYKOS METALS LIMITED

Opinion

We have audited the financial report of Lykos Metals Limited (the Company), which comprises the statement of financial position as at 31 July 2021, 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, 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:

- (a) gives a true and fair view of the Company's financial position as at 31 July 2021 and of its financial performance and cash flows for the period then ended; and
- (b) complies with Australian Accounting Standards to the extent described in Note 1.

Basis for Opinion

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

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report. As stated in Note 1(b), the conditions outlined indicate that a material uncertainty exists that may cast doubt over the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – basis of accounting

We draw attention to Note 1(a) in the financial report which describes the basis of accounting. The financial statements have been prepared for the purposes of assisting the Company in preparing for its IPO listing on the Australian Securities Exchange. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of its members. The directors responsibility also includes 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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



Crowe Perth



Cyrus Patell
Partner

Dated this 3 September 2021