

Richmond Vanadium Technology Pty Ltd
ABN 63 617 799 738

Financial Statements
For the year ended 30 June 2021

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738

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Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738
Statement of Profit or Loss
For the year ended 30 June 2021

	<u>Notes</u>	2021	2020
		\$	\$
REVENUE			
Revenue and other income	2	65,747	353,792
EXPENSES			
Legal fees		75,082	267
Salaries and wages		303,359	496,368
Depreciation		10,863	14,483
Rent		36,000	36,000
Other expenses		115,419	54,303
Fair value movement on revaluation of shares		-	20,395
Loss before income tax expense		(474,976)	(268,024)
Income tax expense		-	-
Loss from operations		(474,976)	(268,024)

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738
Statement of Financial Position
As at 30 June 2021

	<u>Notes</u>	2021	2020
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		274,152	70,779
Trade and other receivables	3	57,099	169,760
Other financial assets	6	-	224,343
Prepayments	4	3,011	3,000
Due from a related party		-	5,000
TOTAL CURRENT ASSETS		334,262	472,882
NON-CURRENT ASSETS			
Property plant and equipment	5	129,668	140,532
Exploration and evaluation	11	4,335,618	3,523,876
TOTAL NON-CURRENT ASSETS		4,465,286	3,664,408
TOTAL ASSETS		4,799,548	4,137,290
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	26,811	42,261
Provisions	8	13,750	138,920
Payroll liabilities		2,109	12,306
Loan from related parties		-	-
TOTAL CURRENT LIABILITIES		42,670	193,487
TOTAL LIABILITIES		42,670	193,487
NET ASSETS		4,756,878	3,943,803
EQUITY			
Issued capital	10	6,627,386	5,339,334
Retained earnings	9	(1,870,508)	(1,395,531)
TOTAL EQUITY		4,756,878	3,943,803

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738
Statement of Changes in Equity
For the year ended 30 June 2021

	Share capital	Accumulated losses	Total equity
	\$	\$	\$
Balance as at 1 July 2019	3,823,704	(1,127,508)	2,696,196
(Loss) for the year	-	(268,024)	(268,024)
Total comprehensive (loss) for the year	-	(268,024)	(268,024)
Transactions with owners in their capacity as owners:			
Contributions	1,515,630	-	1,515,630
Total transactions with owners in their capacity as owners	1,515,630	-	1,515,630
Balance as at 1 July 2020	5,339,334	(1,395,532)	3,943,802
(Loss) for the year	-	(474,976)	(474,976)
Total comprehensive (loss) for the year	-	(474,976)	(474,976)
Transactions with owners in their capacity as owners:			
Contributions	1,288,052	-	1,288,052
Total transactions with owners in their capacity as owners	1,288,052	-	1,288,052
Balance as at 30 June 2021	6,627,386	(1,870,508)	4,756,878

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738
Statement of Cash Flows
For the year ended 30 June 2021

	2021	2020
	\$	\$
Cash flow from operating activities		
Receipts from customers	146,749	353,792
Operating grant receipts	50,000	-
Payments to suppliers and employees	(694,029)	(531,211)
Expenditure on mineral interests	(811,742)	(1,825,904)
Net cash (used in) operating activities	(1,309,022)	(2,003,323)
Cash flow from investing activities		
Payment to acquire investments	-	(244,738)
Receipts from/(payments for) Bonds/advances	-	4,154
Loans repaid to related entities	-	(83,079)
Net cash provided by investing activities	-	(323,663)
Cash flow from financing activities		
Proceeds from share issue	1,512,395	1,515,630
Net cash provided by financing activities	1,512,395	1,515,630
Cash at beginning of the financial year	70,779	882,135
Net increase/(decrease) in cash held	203,373	(811,356)
Cash at end of financial year	274,152	70,779

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738

Notes to the Financial Statements

For the year ended 30 June 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors' have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

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

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

(a) Going Concern

At 30 June 2021 the Company incurred losses of \$474,976 (2020: \$268,024) and has cash and bank balances of \$274,152 (2020: \$70,779).

The financial report has been prepared on the going concern basis. In arriving at the position the directors have had regard to the fact that based on the matters noted below, the Company has, or in the directors opinion will have access to, sufficient cash to fund administrative and other committed expenditure.

In forming this view, the directors have taken into consideration the following:

The Company is dependent on the ongoing financial support of its related entities, Prestige Mind Holdings Ltd and Splendid Horizon Ltd (the "Related entities") at 30 June 2021. The Company has received confirmation from the related entities that it will continue to provide financial support to the Company so as to enable it to be able to pay all its liabilities and commitments as and when they fall due in the next 12 months from the date of approval of the financial report, and to continue to operate on a going concern basis.

Should the Company not achieve the matters set out above there is significant uncertainty whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

(b) Property, Plant and Equipment (PPE)

All property, plant and equipment except for freehold land and buildings are initially measured at cost and are depreciated over their useful lives on a diminishing value basis. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable assets are as follows:

Class of Asset	Depreciation rates	Depreciation basis
Plant and equipment	25%	Diminishing value

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. Freehold land and buildings are carried at their recoverable amounts, based on periodic, but at least triennial, valuations by the directors. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738

Notes to the Financial Statements

For the year ended 30 June 2021

(c) Trade and Other Receivables

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

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

Other receivables include loans granted by the Company and are discounted to present values using the interest rate inherent in the loan.

(d) Financial instruments

Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit and loss.

The classification of financial instruments at initial recognition depends on the financial asset's contractual cashflow characteristics and the Group's business model for managing them. With the exception of the Groups trade receivables that do not contain a significant financing component, the Group initially measures the financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, less transaction costs.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" Financial assets are classified at "fair value through profit or loss" include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The group holds equity investments which are mandatorily classified as "fair value through profit or loss". Such assets are measured at fair value with changes in carrying amount being included in profit or loss.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the company for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the company are subsequently measured at amortised cost. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. The company's financial liabilities include trade payables and other creditors.

(e) Trade and Other Payables

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. They are recognised at their transaction price. Trade and other payables are subject to normal credit terms (30–60 days) and do not bear interest.

(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. Bank overdrafts are shown within current liabilities on the balance sheet.

(g) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably.

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738
Notes to the Financial Statements
For the year ended 30 June 2021

(g) Revenue and Other Income (continued)

Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(h) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

1. the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
2. 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 in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

(i) Goods and Services Tax (GST)

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

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

(k) Impairment of Assets

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738

Notes to the Financial Statements

For the year ended 30 June 2021

(l) Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which the depreciation expense on those assets is recognised.

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by Covid 19.

(m) Leases

At the commencement date of a lease (other than leases of 12 months or less and leases of low value assets), the Company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12 months or less and leases of low value assets

Lease payments made in relation to leases of 12 months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight line basis over the lease term.

(n) Accounting Standards Issued But Not Yet Effective

AASB 2020-2: Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities:

AASB 2020-2 removes the reporting entity concept from a number of standards for certain for-profit private sector entities. Such entities are therefore not able to prepare special purpose financial statements and must prepare general purpose financial statements. The amending standard principally amends AASB 1057 Application of Australian Accounting Standards and the Conceptual Framework for Financial Reporting so that they apply explicitly to:

(a) for-profit private sector entities that are required by legislation to prepare financial statements that comply with either Australian Accounting Standard or accounting standards (with the previous limitation to entities with public accountability removed) and

(b) other for-profit private sector entities that are required only by constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, provided that the relevant document was created or amended on or after 1 July 2021. AASB 2020-2 mandatorily applies to annual reporting periods commencing on or after 1 July 2021 and will be first applied by the Company in the financial year commencing 1 July 2021.

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738
Notes to the Financial Statements
For the year ended 30 June 2021

Note 2: REVENUE AND OTHER INCOME

	2021	2020
	\$	\$
Other income	13,788	244,738
Interest income	124	1,006
ATO – cash flow boost	50,000	50,000
Refund - Rent and fee	1,835	58,048
TOTAL	65,747	353,792

Note 3: TRADE AND OTHER RECEIVABLES

	2021	2020
	\$	\$
Cash advance	927	4,138
Deposits and bonds	12,900	12,900
GST paid	43,272	152,722
TOTAL	57,099	169,760

Note 4: PREPAYMENTS

	2021	2020
	\$	\$
CTM bulk pay	11	-
Prepayments	3,000	3,000
TOTAL	3,011	3,000

Note 5: PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
Motor vehicles at cost	61,793	61,793
Less: Accumulated depreciation	(29,208)	(18,345)
	32,585	43,448
Land at cost	97,083	97,083
TOTAL	129,668	140,532

Note 6: OTHER FINANCIAL ASSETS

	2021	2020
	\$	\$
Shares – listed securities measured at fair value through profit and loss	-	224,343
TOTAL	-	224,343

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738
Notes to the Financial Statements
For the year ended 30 June 2021

Note 7: TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
GST collected	1,505	1,023
PAYG withholding	4,152	14,378
Trade creditors	11,164	16,870
Other liabilities	9,990	9,990
TOTAL	26,811	42,261

Note 8: PROVISION

	2021	2020
	\$	\$
Provision for audit fees	13,750	18,920
Provision for legal settlement	-	120,000
TOTAL	13,750	138,920

Note 9: RETAINED EARNINGS

	2021	2020
	\$	\$
Retained earnings at the beginning of the financial year	1,395,531	1,127,507
Net loss attributable to members of the company	474,976	268,024
Retained earnings at the end of the financial year	1,870,508	1,395,531

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738
Notes to the Financial Statements
For the year ended 30 June 2021

Note 10: ISSUED CAPITAL

	2021	2020
	\$	\$
Ordinary shares fully paid 31,500,000 shares (2020: 28,725,203)	6,627,386	5,339,334

Movement in ordinary share capital	\$
Balance at 1 July	3,823,704
Share issue 5/09/2019	500,000
Share issue 11/09/2019	500,000
Share issue 7/01/2020	115,630
Share issue 15/04/2020	300,000
Share issue 15/06/2020	50,000
Share issue 17/06/2020	50,000
Balance at 30 June 2020	5,339,334
Share issue 15/07/2020	50,000
Share issue 16/07/2020	30,000
Share issue 21/07/2020	46,296
Share issue 03/08/2020	500,000
Share issue 04/08/2020	34,370
Share issue 16/04/2021	150,000
Share issue 28/04/2021	138,362
Share issue 28/06/2021	200,000
Share issue 29/06/2021	139,024
Balance at 30 June 2021	6,627,386

Note 11: EXPLORATION AND EVALUATION ASSETS

	2021	2020
	\$	\$
Balance at the beginning of the period	3,523,876	1,766,366
Expenditure incurred during the period	811,742	1,757,510
Balance at the end of the period	4,335,618	3,523,876

The assets comprise of:

Julia Creek Vanadium Project	4,335,618	3,523,876
TOTAL	4,335,618	3,523,876

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738

Notes to the Financial Statements

For the year ended 30 June 2021

Note 12: EVENTS SUBSEQUENT TO REPORTING DATE

On 3rd May 2022, a Sale and Purchase Agreement ("SPA") has been executed by Richmond Vanadium and Horizon Minerals Limited (Horizon) and the Shareholders Agreement which will come into effect at completion and will govern the operation of Richmond Vanadium until the planned IPO is executed. On Completion Richmond Vanadium shall own 100% of the Project with Richmond Vanadium shares held by Horizon (25%) and existing RVT shareholders (75%).

As per the original Share Subscription Agreement (dated 15 December 2018) Dr Shuang (Shaun) Ren was entitled to a Fixed Percentage Entitlement of 2% of the Company. On 9th February 2022 the shareholders resolved to settle the entitlement which included the transfer of the company's motor vehicle along with 1,000,000 shares (transferred from Eterne Holdings and AXF Resources).

On 9 August 2022, RVT announced that it had signed a Binding Term Sheet to invest between \$3m and \$5m into Ultra Power Systems Pty Ltd ("UPS") a local battery manufacturer of Vanadium Redox Flow Batteries ("VRFB"). The investment is subject to RVT's successful listing on the ASX and raising \$25m for a \$3m investment or raising \$35m for up to a \$5m investment. The investment provides a strategic partnership with UPS which includes the appointment of one RVT representative director. The Binding Term Sheet is also subject to the completion of satisfactory due diligence by RVT and gives RVT the first right of refusal on all vanadium offtake from UPS and based on the best commercial and technical offer for V205 flake.

Note 13: COMPANY DETAILS

The registered office of the company is:

Richmond Vanadium Technology Pty Ltd

Lot 3 Malvern Road, Flinders Highway Richmond

QLD, 4822

The principal place of business is:

Richmond Vanadium Technology Pty Ltd

Unit 81 Level 11, 251 Adelaide Terrace

PERTH WA 6000

Richmond Vanadium Technology Pty Ltd ABN 63 617 799 738

Director's Declaration

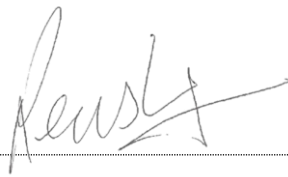
The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 3 to 14, present fairly the Company's financial position as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director

A handwritten signature in black ink, appearing to read 'Rensley', is written over a horizontal dotted line.

Dated this 4 day of OCTOBER 2022

RICHMOND VANADIUM TECHNOLOGY PTY LTD
ABN 63 617 799 738

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RICHMOND VANADIUM TECHNOLOGY PTY LTD

Opinion

We have audited the special purpose financial report of Richmond Vanadium Technology Pty Ltd "the Company", which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects of the financial position of the Company as at 30 June 2021 and of its financial performance for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with 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(a) in the financial report, which indicates that the Company is dependent on the successful Initial Public Offer and/or the financial support of the Company's related entities. As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on 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 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Company to meet their requirements. 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 Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

**RICHMOND VANADIUM TECHNOLOGY PTY LTD
ABN 63 617 799 738**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RICHMOND VANADIUM TECHNOLOGY PTY LTD**

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 management.
- Conclude on the appropriateness of management's 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.

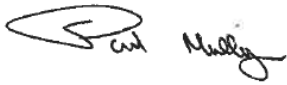
RICHMOND VANADIUM TECHNOLOGY PTY LTD
ABN 63 617 799 738

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RICHMOND VANADIUM TECHNOLOGY PTY LTD

We communicate with those charged with governance 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.

Pitcher Partners BA&A PTY LTD

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PAUL MULLIGAN
Executive Director
Perth, 04 October 2022