

**VYTAS RESOURCES LIMITED**  
**(FORMERLY KNOWN AS VYTAS RESOURCES PTY LTD)**  
**A.C.N. 644 572 403**

**FINANCIAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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## Director's Report

The directors present their second report on the Company for the financial year ended 30 June 2022 and the prior year from 23 September 2020 (date of incorporation) to 30 June 2021. The Company changed from a proprietary limited to a public unlisted company on 27 August 2021.

### Information on Directors

The names of each person who has been a director since incorporation and to the date of this report are:

Name:	Mr Philip Gardiner (appointed 18 August 2021)
Title:	Non Executive Director, Chairman
Qualifications, experience and expertise:	BSc. MBA Phil has extensive experience in banking, agriculture and politics, He has been a founding director of Macquarie Bank, a non-executive director of Barbeques Galore, and has been the Chair of the Sydney Futures Exchange, the Wool Strategy Group (Ministry of Primary Industry and Fisheries) and is currently an Advisory Board Member for the Institute of Agriculture at UWA. Politically, Phil was the Member for the Agricultural Region, Legislative Council (Nationals WA) from 2009-2013.
Special responsibilities:	Phil is a member of the Audit & Risk and Remuneration & Nominations Committee.
Other current directorships:	None
Former directorships (last 3 years)	None
Interests in shares:	2,500,000
Interests in options:	None
Contractual rights to shares	None
Name:	Mr David Cornell (appointed 18 August 2021)
Title:	Managing Director
Qualifications, experience and expertise:	BComm. CA David has David has 20 years' experience in the resources sector in a variety of roles including as managing director and executive director of public and listed companies and executive management roles in operational and corporate levels.
Other current directorships:	Vimy Resources (ASX:VMY)
Former directorships (last 3 years)	Energy & Minerals Australia (ASX:EMA)
Interests in shares:	4,600,000
Interests in options:	None
Contractual rights to shares	None

Name: Mr Phillip Bellamy (appointed 23 September 2020)  
 Title Non Executive Director  
 Qualifications, experience and expertise: JP Dip AgTech, Dip Sust  
 Phil has over 30 years' experience in natural resource management in Western Australia. He was the founding director Wheatbelt Timber Pty Ltd which provides specialised solutions in soil science, farm planning, water management, forestry and carbon accounting in farming, rehabilitated and natural systems. Phil has been involved in several start-up companies including Solar Sustain International which develops reverse osmosis technology. Phil is one of the founding directors of Vytas Resources.

Special responsibilities Phil is a member of the Audit & Risk Committee and Remuneration & Nominations Committee.

Other current directorships: None

Former directorships (last 3 years) None

Interests in shares: 20,500,000

Interests in options: 15,000,000

Contractual rights to shares None

Name: Ms Yaxi Zhan (appointed 29 November 2021)

Title Non Executive Director

Qualifications, experience and expertise: AusIMM CPA Bsc MAcc

Yaxi has 15 years experience in the mining & resources industry in Australia and China and currently serves as Managing Director of Accelerate Resources (ASX: AX8). Yaxi previously worked within the Sino Group and as well as Australian public listed and private exploration companies. She is an active member in various Chinese Australian business groups, promoting Australian and Chinese bilateral business relationships and trade.

Special responsibilities Yaxi is a member of the Audit & Risk and Remuneration & Nominations Committee

Other current directorships: Accelerate Resources Limited (ASX:AX8)

Former directorships (last 3 years) None

Interests in shares: None

Interests in options: None

Contractual rights to shares None

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

## Company Secretary

The company secretary is Mr Marcel Hilmer (appointed 9 June 2022). The previous company secretary was Mr Henry Thong (appointed 18 August 2021, departed 8 June 2022)

Marcel is a long-standing Fellow of the Institute of Chartered Accountants in Australia and has accounting and data processing degrees with more than 30 years' experience in executive management of global public and private organisations. Marcel has significant international mergers and acquisitions expertise working in Africa, Europe, Asia and Australia. .

## Meetings of directors

The number of meetings of the Company's Board of Directors ("the Board") held during period ended 30 June 2022, and the number of meetings attended by each director were:

	Attended	Held
Philip Gardiner	7	7
David Cornell	7	7
Phillip Bellamy	7	7
Yaxi Zhan	2	2

Held: represents the number of meeting held during the time the director held office or was a member of the relevant committee.

## Principal Activities

The Company's principal activities are as an emerging critical minerals company focused on developing a range of technology and High Purity Materials. These materials may be sourced directly from the Company's 100% owned resource projects, ensuring security and continuity of supply over the long-term and include:

- High Purity Quartz (HPQ) – used in the manufacture of solar panels;
- High Purity Alumina (HPA) – essential for the production of Lithium Batteries; and
- High Purity Silicon (HPS) – used for the manufacture of silicon anodes which has potential to revolutionise the performance capacity of lithium batteries and facilitate green hydrogen production using non-beneficial water.

The Company's primary focus will initially be the Moora Silica Sand Project, Tambellup Kaolin Project and Ajana Silica Project in Western Australia and, subject to grant of the tenement application comprising the White Peaks Project in Western Australia.

## Environmental Issues

The Company is currently not subject to any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

## Dividends paid or recommended

No dividends were paid or declared during the financial period. No recommendation for payment of dividends has been made.

## **Indemnification and Insurance of Officers and Auditors**

No indemnities have been given or insurance premiums were paid during the financial period for any person who is or has been an officer or auditor of the Company.

## **Options and Securities**

The Company issued 30 million Securities to the founders on 23 September 2020 as part of its incentive strategy. The Securities convert to ordinary shares on the achievement of (1) achieving a project NPV of \$200 million at bankable feasibility assessment (15 million shares) and (2) achieving a monthly free cash flow of \$2 million per month after production commences (15 million shares). No milestones were achieved during the financial period.

## **Proceedings on behalf of the Company**

No person has applied for leave of Court to bring proceeding on behalf of the Company or intervene in any proceeding to which the Company is a party for the purposes 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.

## **Financial performance and position**

This report is prepared for the financial year from 1 July 2021 to 30 June 2022. The prior year is from date of incorporation (23 September 2020) to 30 June 2021.

The loss from operations of the Company for the financial year ended 30 June 2022 was (\$1,823,709).

At 30 June 2022 the Company has \$709,635 cash at bank.

## **Events subsequent to the end of the reporting period**

The Company, comprising Vytas Resources Limited and its two wholly owned subsidiaries (Vytas Mining Pty Ltd and Halcyon Resources Pty Ltd) plans to list on the Australian Securities Exchange (ASX). The Company is progressing with plans to lodge a full form prospectus with the ASX in September or October 2022.

## **Significant changes in state of affairs**

There have been no other significant changes in the state of affairs of the Company during the period.

## **Auditor's independence declaration**

The lead auditor's independence declaration, as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2022 has been received and can be found on page 8.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

Signed in accordance with a resolution of the board of directors.



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Mr David Cornell

Director

Dated this 2<sup>nd</sup> day of September 2022

# Auditor's Independence Declaration



To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Partner for the audit of the financial statements of Vytas Resources Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

HALL CHADWICK AUDIT (WA) PTY LTD

NIKKI SHEN CA  
Director

Dated this 6<sup>th</sup> day of September 2022  
Perth, Western Australia



## Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2022

	Note	Consolidated	
		Year Ended	Period Ended
		30 June 2022	30 June 2021*
		\$	\$
<b>Revenue</b>			
Other income – bank interest		118	24
<b>Expenses</b>			
Consulting fees		261,048	1,275
Exploration and evaluation expenses		335,454	0
Wages and salaries		15,144	0
Administrative expense		50,268	27,756
Audit fees		6,140	5,000
Share based payments		20,000	0
Interest and finance costs		72	16
Asset acquisition cost	2	1,106,000	25
Rent		29,700	0
<b>Profit / (Loss) before income tax</b>		(1,823,709)	(34,047)
Income tax expense	3		
<b>Loss for the period</b>		(1,823,709)	(34,047)
<b>Total comprehensive loss for the period</b>		(1,823,709)	(34,047)

\*For the period from 23 September 2020 to 30 June 2021

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

## Statement of Financial Position

As at 30 June 2022

		<b>Consolidated</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents	4	709,635	132,396
Trade and other receivables	5	43,913	1,363
<b>Total current assets</b>		<b>753,548</b>	<b>133,759</b>
<b>Non-current assets</b>			
Property, plant & equipment		0	0
<b>Total non-current assets</b>		<b>0</b>	<b>0</b>
<b>Total assets</b>		<b>753,548</b>	<b>133,759</b>
<b>Current liabilities</b>			
Trade and other payables	6	184,687	10,001
Provisions		15,144	-
<b>Total current liabilities</b>		<b>199,831</b>	<b>10,001</b>
<b>Non-Current liabilities</b>			
Loans	7	142,267	-
<b>Total non-current liabilities</b>		<b>142,267</b>	<b>-</b>
<b>Total liabilities</b>		<b>342,098</b>	<b>10,001</b>
<b>Net assets</b>		<b>411,450</b>	<b>123,759</b>
<b>Equity</b>			
Issued capital	8	2,268,906	157,506
Reserves	8	300	300
Accumulated losses		(1,857,756)	(34,047)
<b>Total equity</b>		<b>411,450</b>	<b>123,759</b>

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

## Statement of Changes in Equity

For the financial year ended 30 June 2022

	Issued Capital	Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at beginning of period</b>				0
Loss for the period			(34,047)	(34,047)
Total comprehensive (loss) for the period			(34,047)	(34,047)
Options issued (net of costs)		300		300
Shares issued (net of costs)	157,506			157,506
<b>Balance at 30 June 21</b>	157,506	300	(34,047)	123,759
<b>At 1 July 2021</b>	157,506	300	(34,047)	123,759
Loss for the period			(1,823,709)	(1,823,709)
Total comprehensive (loss) for the period			((1,823,709)	(1,823,709)
Options issued (net of costs)				0
Shares issued (net of costs)	2,111,400			2,111,400
<b>Balance at 30 June 22</b>	<b>2,268,906</b>	<b>300</b>	<b>(1,857,756)</b>	<b>411,450</b>

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

## Statement of Cash Flow

For the financial year ended 30 June 2022

		<b>Consolidated</b>	
		<b>2022</b>	<b>2021*</b>
		<b>\$</b>	<b>\$</b>
<b>Note</b>			
	<b>Operating activities</b>		
	Receipts from customers		
	Payments to suppliers and employees	(339,533)	(24,653)
	Interest received	118	24
	Finance costs paid	(31,152)	(16)
	Income tax paid		
	<b>Net cash flows used in operating activities</b>	<b>(370,567)</b>	<b>(24,645)</b>
	<b>Investing Activities</b>		
	Payments for property, plant & equipment		
	<b>Net cash flows used in investing activities</b>	<b>0</b>	<b>0</b>
	<b>Financing activities</b>		
	Proceeds from issue of shares	947,806	157,041
	Proceeds from seed raise	0	
	<b>Net cash flows from financing activities</b>	<b>947,806</b>	<b>157,041</b>
	<b>Net change in cash and cash equivalents</b>	<b>577,239</b>	<b>132,396</b>
	Cash and cash equivalents at the beginning of financial period	132,396	
	<b>Cash and cash equivalents at end of financial period</b>	<b>709,635</b>	<b>132,396</b>

\*For the period from 23 September 2020 to 30 June 2021

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

# Notes to the Financial Statements

For the period ended 30 June 2022

This report is prepared for the financial year ended 30 June 2022. Prior period from date of incorporation (23 September 2020) to 30 June 2021.

Vytas Resources Limited is a for profit public company limited by shares incorporated and domiciled in Australia. The functional and presentation currency of Vytas Resources Limited is Australian dollars. The Company changed from a proprietary limited to a public unlisted company on 27 August 2021.

The financial report was approved by the directors as at the date of the director's report.

1. These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

## **Going Concern**

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

The Company incurred a loss for the financial year ended 30 June 2022 of (\$1,823,709), net cash outflows used in operating activities was \$370,567. As at 30 June 2022, the Company had \$709,635 in cash and cash equivalents.

## **Summary of Significant Accounting Policies**

### **New Standards and interpretations not yet adopted**

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Any significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

### **Principles of Consolidation**

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

## Principles of Consolidation (cont'd)

### i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

the fair value of the consideration transferred; plus

the recognised amount of any non-controlling interests in the acquiree; plus

if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

the net recognised amount of the identifiable assets acquired and liabilities assumed.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

### ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling

## **Principles of Consolidation (cont'd)**

interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 12 Interest in Subsidiaries of the financial statements.

### iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

### iv. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

## **Trade and other receivables**

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

## **Income Tax**

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense. Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the period and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

#### **Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

#### **Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### **Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue is recognised using the effective interest rate method.

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

Other income is recognised on an accruals basis when the Company is entitled to it.

#### **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

#### **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.

#### **Exploration and Evaluation Expenditure**

Exploration and evaluation costs are carried forward where the right of tenure of the area of interest is current. These costs are only carried forward to the extent that they are expected to be recouped through the successful



development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which a decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the areas according to the rate of depletion of economically recoverable reserves.

A regular review is undertaken in each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

## **2 Acquisition of Subsidiary**

On 30 November 2021, Vytas Resources acquired 100% of the ordinary share capital and voting rights of Halcyon Resources Pty Ltd at a consideration of 22,120,000 ordinary shares in the Company at \$0.05 per share, amounting to \$1,106,000. Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the acquired. However, as Halcyon Resources is not carrying on a business, this is considered as an asset acquisition instead of a business acquisition. Details of the transactions are as follows:

	Fair value \$
Fair value of consideration transferred	1,106,000
Fair value of identifiable assets and liabilities held at acquisition date:	
Capitalised exploration expenditure	876,775
Loan payable	<u>(887,582)</u>
	<u>(10,807)</u>
Fair value of identifiable assets and liabilities assumed	-
Asset acquisition cost	<u>1,106,000</u>

Management believes it to be prudent to fully expense the acquisition cost of \$1,106,000.

## **3 Income Tax**

There are no current or deferred tax expenses during the period. The prima facie tax expense / (credit) on profit / (loss) from ordinary activities before income tax is reconciled to income tax is:

## Notes to the Financial Statements (cont'd)

### Income Tax (cont'd)

	Jun 2022 \$	Jun 2021 \$
Prima facie tax payable/ (benefit) on profit / (loss) before income tax at 26%	(474,384)	(8,852)
Tax effect of non-deductible expenses	287,560	-
Tax effect of allowable expenses	-	-
Tax effect of unrecognised tax losses utilised	186,824	8,852
	<u>-</u>	<u>-</u>

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in the accounting policy of Note 1 Income Tax, As at period end, tax loss carried forward amounted to about \$331,000.

	Jun 2022 \$	Jun 2021 \$
<b>4 Cash and cash equivalents</b>	<u>709,635</u>	<u>132,396</u>
Reconciliation of cash flow from operations to (loss)/profit after income tax		
Operating profit/loss after Income Tax	(1,823,709)	(34,047)
Add back non-cash item Exploration & Evaluation assets written off	-	-
Non-cash changes in assets and liabilities	1,145,595	
Decrease/(increase) in receivables	(24,550)	(598)
Increase/(decrease) in payables	189,830	10,001
Increase/(decrease) in operating loans	<u>142,267</u>	
Cash flow from operations	<u>(370,567)</u>	<u>(24,645)</u>
<b>5 Trade and other receivables</b>		
GST receivable	23,785	598
Sundry debtors	<u>20,128</u>	<u>765</u>
	<u>43,913</u>	<u>1,363</u>
<b>6 Trade and other payables</b>		
Accruals	15,992	5,000
Trade and sundry creditors	<u>168,695</u>	<u>5,001</u>
	<u>184,687</u>	<u>10,001</u>
<b>7 Loans</b>		
Term debt	<u>142,267</u>	<u>-</u>

The debt is due for payment in September 2024. There is no interest payable.

## 8 Issued Capital

Movement in shares – period ended 30 June 2021	No.	\$
Opening balance	-	-
Founder shares	48,100,000	481
Shares issued for purchase of investment	2,500,000	25
Issues to seed investors	3,140,000	157,000
Closing Balance	53,740,000	157,506
As at 1 July 2021		
Founder shares		
Shares issued for purchase of investment	22,120,000	1,106,000
Share based payments	404,000	40,400
Issues to seed investors	12,500,000	965,000
Closing Balance 30 June 2022	88,764,000	2,268,906
Movement in options – period ended 30 June 2021	No.	\$
Ended 30 June 2021		
Opening balance	-	-
Founder performance options	30,000,000	300
Closing Balance	30,000,000	300
As at 1 July 2021		
Founder performance options		
Closing Balance 30 June 2022	30,000,000	300

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

### 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.

## Notes to the Financial Statements (cont'd)

### Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. The capital structure of the Company consists of equity comprising issued capital and accumulated losses. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is to maintain sufficient current working capital position to meet the requirements of the Company to meet exploration programs and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

### 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.

### Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

### Liquidity Risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The following tables detail the Company's contractual maturity for its financial assets and liabilities

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Less than 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalent	709,635	709,635	709,635
GST receivable	23,785	23,785	23,785
<b>Financial liabilities</b>			
Trade and other payables	(200,679)	(200,679)	(200,679)
Loans	(142,267)	(142,267)	0
<b>Net cashflow</b>	<b>390,474</b>	<b>390,474</b>	<b>532,741</b>

### Fair Value

Due to their short-term nature, the carrying amount of the financial assets and financial liabilities is assumed to be approximate to their fair value.

## Notes to the Financial Statements (cont'd)

### 9 Related party transactions

Transactions with related parties:

Mr Philip Bellamy is currently a Director of the Company. The Company issued 15 million Performance Shares on the following terms:

Issue date 23 September 2020

Expiry: 6 years from the date of issued

Performance hurdles:

- (1) 7,500,000 ordinary shares where the bankable feasibility study demonstrates a NPV of \$200 million
- (2) 7,500,000 ordinary shares where a free cash flow of \$2 million per month is achieved.

Mr David Cornell is currently a Director of the Company. The Company accrued an invoice from Element Capital Management, a related party of Mr Cornell, for \$33,000 for services rendered.

Accelerate Resources Limited is a substantial shareholder of the Company and the Managing Director, Ms Yaxi Zhan is a Non-Executive Director of the Company. The Company acquired 100% of the ordinary share capital and voting rights of Halcyon Resources Pty Ltd in November 2021 from Accelerate Resources Limited. See Note 2 for details of the transaction. During the period the Company paid Accelerate Resources Limited \$24,548, a reimbursement for outlays on Halcyon Resources Pty Ltd

### 10 Contingencies and Commitments

The Company had no material contingent assets or liabilities at 30 June 2022.

The Company has minimum expenditure commitments on its tenements of \$171,000 for the year ending 30 June 2023.

### 11 Investment assets

During the year ended 30 June 2021, the Company purchased:

A 25% stake in Soil Earth Resources Pty Ltd ("SER") for consideration of 2,500,000 shares in the Company. The market value of the consideration at the time of acquisition was \$25. The Company held a 7.7% stake in SER as at 30 June 2022. SER is a private unlisted company with tenements in Western Australia which may form part of the Company's strategy. The directors have fully impaired the value of this investment to \$0 as at 30 June 2022.

A 100% stake in the ordinary share capital and voting rights of Halcyon Resources Pty Ltd at a consideration of 22,120,000 ordinary shares in the Company at \$0.05 per share, amounting to \$1,106,000. See Note 2 for more details.

## Notes to the Financial Statements (cont'd)

During the reporting period the Company incorporated Vytas Mining Pty Ltd to carry on exploration activities within the Group's silica-based minerals strategy.

### **12 Events Subsequent to Reporting Date**

The Company, comprising Vytas Resources Limited and its two wholly owned subsidiaries (Vytas Mining Pty Ltd and Halcyon Resources Pty Ltd) plans to list of the Australian Securities Exchange (ASX). The Company is progressing with plans to lodge a full form prospectus with the ASX in September or October 2022.

## Declaration by Directors

The directors declare that the financial statements and notes are in accordance with the Corporations Act 2001:

- (a) Comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
- (b) As stated in Note 1, the financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the entity as at 30 June 2021 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Vytas Resources Ltd 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:

A handwritten signature in black ink, appearing to be 'D. Cornell', written over a horizontal line.

Mr David Cornell

Director

Dated this 2<sup>nd</sup> day of September 2022

# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VYTAS RESOURCES LIMITED (FORMERLY VYTAS RESOURCES PTY LTD)

### Report on the Financial Report

#### Opinion

We have audited the accompanying consolidated financial report of Vytas Resources Limited (the company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2022, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

In our opinion, the consolidated financial report of Vytas Resources Limited and its controlled entities is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

#### Independence

We are independent of the entity in accordance with 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.