

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

FINANCIAL REPORT
FOR THE PERIOD 23 SEPTEMBER 2020 (DATE OF INCORPORATION) TO 30 JUNE
2021

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Director's Report

The directors present their first report on the Company for the period 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.
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Other current directorships:	None
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Former directorships (last 3 years)	None
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Interests in shares:	2,000,000
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Interests in options:	None
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Contractual rights to shares	None
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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:	5,100,000
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Interests in options:	None
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Contractual rights to shares	None
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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: 21,000,000

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 Henry Thong (appointed 18 August 2021).

Henry has over 25 years' experience in senior financial and governance roles in listed, private companies and government-owned utilities. Henry is principal of Keystone Advisors who provides executive services to start-up and emerging companies across multiple industries. Current directorships are Vietnam Industrial Investments.

Meetings of directors

The number of meetings of the Company's Board of Directors ("the Board") held during period ended 30 June 2021, and the number of meetings attended by each director were:

	Attended	Held
Philip Gardiner	3	3
David Cornell	3	3
Phillip Bellamy	3	3
Yaxi Zhan	-	-

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 to develop its critical mineral strategy to support the global energy transition and low carbon goals.

The company's maiden project was the Moora Silica project which was acquired to produce High Purity Quartz (HPQ) for the solar panel industry and other applications.

The project portfolio was expanded to include the White Peaks and Ajana Projects High Purity Silicon (HPS). Vytas has a 25% interest in Silica Earth Resources Pty Ltd, which has an operating mining lease supplying HPS to the agricultural sector. Growth opportunities include high strength low carbon cement, soil amelioration and anodes for lithium batteries and green hydrogen.

No significant change in the nature of the Company's activities occurred during the period.

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).

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 period from date of incorporation (23 September 2020) to 30 June 2021.

The loss from operations of the Company for the period ended 30 June 2021 was \$34,047.

At 30 June 2021 the Company has \$132,396 cash at bank.

Events subsequent to the end of the reporting period

The Company raised \$285,000 through the issues of 5,700,000 shares at \$0.05 to sophisticated investors as part of a seed raise.

On 30 November 2021 the Company acquired a 100% interest in the Tambellup Kaolin Project via the acquisition of Halcyon Resources Pty Ltd ("Halcyon") for consideration of 22,120,000 ordinary shares in the Company. Kaolin is used to produce High Purity Aluminium (HPA) and HPQ.

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

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 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 2021 has been received and can be found on page 7.

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.

A handwritten signature in black ink, appearing to read 'D. Cornell', with a long horizontal stroke extending to the right.

Mr David Cornell

Director

Dated this 7th day of April 2022

Auditor's Independence Declaration



AUDITOR'S INDEPENDENCE DECLARATION VYTAS RESOURCES LIMITED (FORMERLY VYTAS RESOURCES PTY LTD)

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Vytas Resources Limited.

As audit partner of Vytas Resources Limited for the period 23 September 2020 to 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink that reads "Hall Chadwick".

Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682

A handwritten signature in black ink that reads "Nikki Shen".

Nikki Shen
Director

Dated 7 April 2022

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2021

	Note	23 September 2020 to 30 June 2021 \$
Revenue		
Other income – bank interest		24
Expenses		
Consulting fees		1,275
Exploration and evaluation expenses		21,773
Employee benefits expense		-
Administrative expense		5,982
Audit fees		5,000
Interest and finance costs		16
Impairment of investments	9	25
Other expenses		-
Profit / (Loss) before income tax		<u>(34,047)</u>
		-
Income tax expense	2	(34,047)
Loss for the period		
Total comprehensive loss for the period		<u>(34,047)</u>

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 2021

	Note	2021 \$
Current assets		
Cash and cash equivalents	3	132,396
Trade and other receivables	4	1,363
Total current assets		<u>133,759</u>
Non-current assets		
Property, plant & equipment		-
Total non-current assets		<u>-</u>
Total assets		<u>133,759</u>
Current liabilities		
Trade and other payables	5	10,000
Total current liabilities		<u>10,000</u>
Total liabilities		<u>10,000</u>
Net assets		<u>123,759</u>
Equity		
Issued capital	6	157,506
Reserves		300
Accumulated losses		(34,047)
Total equity		<u>123,759</u>

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

Statement of Changes in Equity

For the period ended 30 June 2021

	Issued Capital	Option Reserve	Retained Earnings	Total
	\$		\$	\$
Balance at beginning of period	-	-	-	-
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
Balance at 30 June 21	157,506	300	(34,047)	123,759

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

Statement of Cash Flow

For the period ended 30 June 2021

	Note	23 September 2020 to 30 June 2021 \$
Operating activities		
Receipts from customers		-
Payments to suppliers and employees		(24,653)
Interest received		24
Finance costs paid		(16)
Income tax paid		-
Net cash flows used in operating activities	3	<u>(24,645)</u>
Investing Activities		
Payments for property, plant & equipment		-
Net cash flows used in investing activities		<u>-</u>
Financing activities		
Proceeds from issue of shares		<u>157,041</u>
Net cash flows from financing activities		<u>157,041</u>
Net change in cash and cash equivalents		132,396
Cash and cash equivalents at the beginning of financial period		-
Cash and cash equivalents at end of financial period		<u>132,396</u>

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 2021

This report is prepared for the 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 period ended 30 June 2021 of \$34,047, net cash outflows used in operating activities was \$24,645. As at 30 June 2021, the Company had \$132,396 in cash and cash equivalents. The Company raised a further capital raising of \$285,000 subsequent to year end.

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.

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.

Notes to the Financial Statements (cont'd)

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.

Notes to the Financial Statements (cont'd)

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 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 2021
	\$
Prima facie tax payable/ (benefit) on profit / (loss) before income tax at 26%	(8,852)
Tax effect of non-deductible expenses	-
Tax effect of allowable expenses	-
Tax effect of unrecognised tax losses utilised	8,852
	<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 \$34,000.

	2021
	\$
3 Cash and cash equivalents	<u>132,396</u>
Reconciliation of cash flow from operations to (loss)/profit after income tax	
Operating profit/loss after Income Tax	(34,047)
Add back non-cash item Exploration & Evaluation assets written off	-
Non-cash changes in assets and liabilities Decrease/(increase) in receivables Increase/(decrease) in payables	(598) 10,001
Cash flow from operations	<u>(24,645)</u>
4 Trade and other receivables	
GST receivable	598
Sundry debtors	765
	<u>1,363</u>
5 Trade and other payables	
Accruals	5,000
Sundry creditors	5,001
	<u>10,001</u>

Notes to the Financial Statements (cont'd)

6 Issued Capital	2021	2021
	No.	\$
Movement in shares – period ended 30 June 2021		
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	<u>53,740,000</u>	<u>157,506</u>
Movement in options – period Ended 30 June 2021		
Opening balance	-	-
Founder performance options	<u>30,000,000</u>	300
Closing Balance	<u>30,000,000</u>	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.

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.

Notes to the Financial Statements (cont'd)

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

	Carrying amount	Contractual cash flows	Less than 1 year
	\$	\$	\$
Financial assets			
Cash and cash equivalent	132,396	132,396	132,296
GST receivable	1,363	1,363	1,363
Financial liabilities			
Trade and other payables	(10,000)	(10,000)	(10,000)
Net cashflow	<u>123,759</u>	<u>123,759</u>	<u>123,759</u>

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.

7 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.

Notes to the Financial Statements (cont'd)

8 Contingencies

The Company had no material contingent assets or liabilities at 30 June 2021.

	2021
	\$
Remuneration of Auditors	
Payable to Hall Chadwick WA	
Audit services	5,000
Total remuneration	
Payable to Hall Chadwick WA	<u>5,000</u>

9 Investment assets

During the period, 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. SER is a private unlisted company with tenements in Western Australia which may form part of the Company's strategy. The directors has fully impaired the value of this investment to \$0 as at 30 June 2021.

10 Events Subsequent to Reporting Date

The Company raised \$285,000 through the issues of 5,700,000 shares at \$0.05 to sophisticated investors as part of a seed raise.

On 30 November 2021 the Company completed a binding sale agreement (Agreement) with Accelerate Resources Limited for the acquisition of 100% of Halcyon Resources Pty Ltd for consideration of 22,120,000 ordinary shares in the Company.

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

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 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 read 'D. Cornell', with a long horizontal flourish extending to the right.

Mr David Cornell

Director

Dated this 7th day of April 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 financial report of Vytas Resources Limited (the company), which comprises the statement of financial position as at 30 June 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 23 September 2020 to 30 June 2021, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

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

- i) Giving a true and fair view of the entity's financial position as at 30 June 2021 and of its performance for the period ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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 entity'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 entity to cease to continue as a going concern.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682



Nikki Shen
Director

Dated 7 April 2022