Dundas Minerals Limited

(Formerly Tim's Find Pty Ltd)

ACN 640 432 819

Financial Report

For the period from incorporation

21 April 2020 to 30 June 2021

Corporate Directory

Directors	Mark Sims CHADWICK Timothy Mathew Shaun HRONSKY Shane Raymond VOLK
Company Secretary	Shane Raymond VOLK
Registered Office	Suit 13, 100 Railway Road Daglish WA 6008
Web Site	www.dundasminerals.com
Incorporation Date	21 April 2020
Auditors	Moore Australia Audit (WA) Level 15, Exchange Tower 2 The Esplanade Perth WA 6000
Country of Incorporation and Domicile	Australia
Issued Capital	28,769,502 fully paid ordinary shares

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DIRECTORS' REPORT

The Directors present their report on Dundas Minerals Limited (formerly Tim's Find Pty Ltd) for the period 20 April 2020 to 30 June 2021.

BOARD OF DIRECTORS

The names and details of the Dundas Minerals Limited ("Company") directors in office during the period covered by this report and until the date of this report are as follows:

Shane Volk B Bus (Acc); AGIA. ACIS
Managing Director & Company Secretary
Appointed 21 April 2020

Shane Volk 30+ years commercial and corporate governance experience in Australian and international mining operations. A qualified Chartered Secretary and a Bachelor of Business (Accounting) RMIT, Melbourne; during his career he has worked across a diverse range of mining-related capacities such as exploration (Placer Dome / Emmerson Resources), operations (BHP/Placer Dome), business development (Placer Dome) and corporate governance. Most recently he held the position of chief financial officer (CFO) and company secretary at Altech Chemicals Ltd, and was employed in the same role at ASX listed African Iron Ltd, Emmerson Resources Ltd and Kogi Iron Ltd.

Mark Chadwick B Comm (Acc); CA
Chairman
Appointed 26 February 2021

Mark Chadwick is a Chartered Accountant with in excess of 25 years experience in corporate advisory and management, primarily in restructuring and turnarounds. He commenced his career in Perth, and subsequently spent 16 years working and living in Asia where he led restructuring engagements involving debt totalling more than US$15 billion. Mark was previously a partner at Ferrier Hodgson (Jakarta, Shanghai) and a senior managing director at FTI Consulting (Singapore), where he was an approved liquidator. Mark brings to Dundas Minerals his considerable corporate governance, risk and board skills, having served on numerous public and private company boards in the Asia-Pacific, Europe and the United States.

Tim Hronsky B Eng. (Geology)
Technical Director
Appointed 21 April 2020

A geologist with 30+ years of international experience, Tim is a graduate of the WA School of Mines (1990), Kalgoorlie. Tim's varied career includes 15 years with Placer Dome Inc, one of the largest gold companies in the world at that time (since acquired by Barrick). He also has extensive global consulting experience in the mining industry; providing clients with unique and value adding solutions. Tim specialises in green fields exploration, developing innovative geological and exploration concepts. He was previously the executive (technical) director of ASX listed St George Mining Ltd (2009-2019).

Directors were in office for the entire period unless otherwise stated.

COMPANY SECRETARY

Shane Volk

PRINCIPAL ACTIVITES

The principal activity of the Company is to apply for mineral exploration licences in Western Australia, and then to explore for mineral occurrences within the licences, once they are granted.

During the period covered by this report, the Company has made application for twelve (12) exploration licences in Western Australia. The Company has also executed an exclusive option to acquire one other exploration licence, once it is granted. All of the licences applications are within the Dundas mineral field, Western Australia. As at the date of this report four (4) of the licences under application have been granted, refer to events since 30 June 2021, and Table 1 for details.

REVIEW OF OPERATIONS

Table 1 below, provides a summary of the various exploration licences that the Company made application for during the period covered by this report, or in the case of licence application E63/2063, has an option to acquire from the applicant.

Table 1 – Exploration Licence Applications lodged by Dundas Minerals Limited

Holder/s	Project	Tenement ID	Blocks	km^2	Grant date	Expiry	Next Rent $	Minimum Expenditure for next Year $
Dundas Minerals Limited	Dundas	E 63/2044	17	49.02	22-July-21	21-Jul-26	21-Jul-22	$20,000
Dundas Minerals Limited	Dundas	E 63/2045	24	69.21	22-July-21	21-Jul-26	21-Jul-22	$24,000
Dundas Minerals Limited	Dundas	E 63/2056	56	161.01	23-Jul-21	22-Jul-26	21-Jul-22	$56,000
Dundas Minerals Limited	Dundas	E 63/2065	5	14.42	23-Jul-21	22-Jul-26	21-Jul-22	$15,000
Dundas Minerals Limited	Dundas	E 63/2078	47	135.46	Sept-21	n/a	n/a	n/a
Golden Camel Mining Pty Ltd	Dundas	E 63/2063	33	95.03	tba	n/a	n/a	n/a
Dundas Minerals Limited	Triton	E 63/2059	16	45.95	tba	n/a	n/a	n/a
Dundas Minerals Limited	Dundas	E 63/2083	22	63.36	Sept-21	n/a	n/a	n/a
Dundas Minerals Limited	Dundas	E 63/2084	30	86.36	Sept-21	n/a	n/a	n/a
Dundas Minerals Limited	Dundas	E 63/2090	27	77.86	tba	n/a	n/a	n/a
Dundas Minerals Limited	Dundas	E 63/2116	39	112.03	tba	n/a	n/a	n/a
Dundas Minerals Limited	Dundas	E 63/2124	84	242.11	tba	n/a	n/a	n/a
			400	1,151.82			$179,052	$115,000

In selecting the areas for its exploration licence applications, a significant amount of "desk top" mineralisation prospectivety assessments and summarisation was completed by the Company's technical director Tim Hronsky. This work involved the compilation and assessment of the available historical public domain data, which included past exploration results (primarily soil/calcrete sampling and shallow RAB/Air-Core drilling), all of which was sourced from the Western Australian government WAMEX data base. In addition, Mr Steve Massey of Western Geophysics (and formerly the chief geophysicist for Placer Dome Exploration Australia), conducted a review of geophysical data (magnetics and gravity data) from publicly available data sets.

In April 2021, the Company issued an Information Memorandum to support a capital raising (seed capital), which was an offer of 7,142,857 shares at an issue price of $0.14 each to raise up to $1,000,000, with oversubscriptions up to an additional $500,000 for total subscriptions of up to $1,500,000. $1,077,730 was raised from the offer, which the directors consider is an excellent result. The offer remains open for any additional investors which may wish to provide seed capital in support of a proposed initial public offering of the Company's shares.

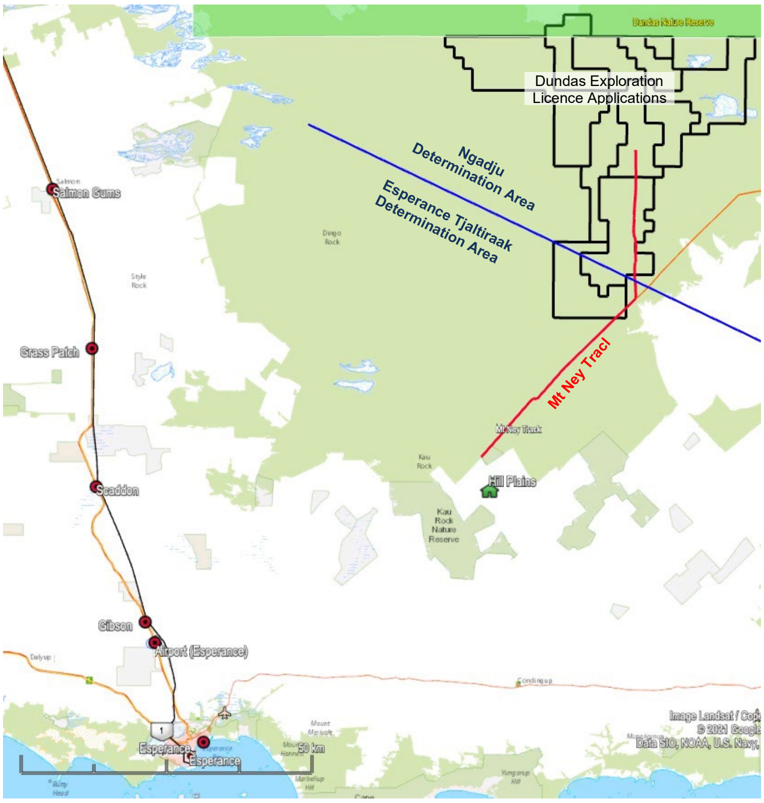
The success of the Company's initial share offer enabled it to employ an exploration manager – Mr. Mike Northcott, who commenced full time employment on 1 May 2021. In addition to Mike, Steve Massey (Western Geophysics) is consulting on an as required basis. The Company has leased a modest office space – Suite 13, 100 Railway Road, Daglish from where the Company started operating from in May 2021.

Since May 2021, Mike Northcott and Steve Massey have spent considerable time reviewing, digitising and consolidating all of the historical exploration data. Managing director Shane Volk, exploration manager Mike Northcott and chairman Mark Chadwick undertook an initial field visit to the exploration licence application areas between 17 and 21 May 2021, and Mike and Shane conducted a second field visit between 28 June and 1 July 2021. The information gathered from both visits was generally positive, the key findings were: tracks established by various previous explorers (AngloGold Ashanti, Ausquest, Goldport and Norseman Gold) are mostly still drivable and will provide good initial access to the licences and most of the initial exploration prospects that have been identified; general access to the exploration licence applications area has been greatly enhanced by an intense bushfire in 2019, which has burned the previously thick mallee vegetation across 80% to 85% of the area; the Mt Ney track, which is the only access to the tenements from Esperance, was drivable in the winter (raining months), however sections of the track (soft spots) would be best upgraded.

Whilst the analysis of historical exploration data by Mike Northcott and Steve Massey is ongoing, they concluded quite early-on that the acquisition by the Company of two additional data sets across the licence applications areas would enhance their exploration targeting ability. The two data sets are: detailed gravity data; and detailed electro-magnetic data. In June 2021, the Company awarded contracts for the collection of both data sets. Skytem Pty Ltd is schedule to commence collecting the electro-magnetic data in early August 2021 and Atlas Geophysics Pty Ltd is scheduled to commence collecting the gravity data ilater in August, this will be a ground-based survey. The total cost of the two surveys is estimated at ~$500,000 and will provide invaluable life-of-licence data for immediate and future exploration targeting.

Aboriginal native title has been determined across the area covered by the eleven (11) exploration licence applications that comprise the Dundas project. There are two Native Title groups, the Ngadju and the Esperance Tjaltjraak. The majority of the licence applications fall within the Ngadju determination area as illustrated in Figure 1, below. As is customary in Western Australia, all exploration conducted within native title determination areas is in accordance with protocols set out in standard Heritage Protection Agreements that are executed by the exploring party (Dundas Minerals) and the native title determination party. Dundas executed a Heritage Protection Agreement with the Ngadju Native Title Aboriginal Corporation in December 2020, and a Heritage Protection Agreement with the Esperance Tjaltjraak in March 2021.

Figure 1 – Dundas Exploration Licence Applications and the boundary of Native Title Determination areas



RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the period ended 30 June 2021 was $377,166. The Company's basic loss per share for the period was 0.021 cents per share.

No dividend has been paid during or is recommended for the financial period ended 30 June 2021.

FINANCIAL POSITION

The Company's working capital, being current assets less current liabilities at 30 June 2021, was net current assets of $961,658.

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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENTS SINCE 30 JUNE 2021

There has not arisen since the end of the reporting period any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent periods, except for the granting of exploration licences E63/2044 and E63/2045 on 22 July 2021 and the grant of exploration licenced E63/2056 and E63/2065 on 23 July 2021.

ENVIRONMENTAL REGULATION

The Company is not subject to any significant environmental regulation under Australian Commonwealth or Western Australian or other State law.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company has agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including any liability in defending any relevant proceedings.

MEETINGS OF DIRECTORS

The number of meetings of the Company's directors held in the period each director held office during the period and the number of meetings attended by each director were:

Director	Board of Director Meetings	
	Meetings Attended	Meetings held whilst a director
Mark Chadwick	2	2
Shane Volk	2	2
Tim Hronsky	2	2

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The auditor's independence declaration is set out on the next page of this report and forms part of the Directors' Report for the period ended 30 June 2021.

This report has been made in accordance with a resolution of the board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Shane Volk
Director and Company Secretary
Dated at Perth this 3rd day of August 2021

Moore Australia Audit (WA)

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF DUNDAS MINERALS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- no contraventions of any applicable code of professional conduct in relation to the audit.

SHAUN WILLIAMS PARTNER	Moore Australia MOORE AUSTRALIA AUDIT (WA) CHARTERED ACCOUNTANTS

Signed at Perth this 3rd day August 2021

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Dundas Minerals Limited
STATEMENT OF FINANCIAL POSITION AS AT
30 June 2021

	Notes	30-Jun-21 $
Current Assets		
Cash and cash equivalents	4	897,247
Trade and other receivables	5	28,021
Prepaid Expenses	6	62,877
Deposits		22,475
Total Current Assets		**1,010,620**
Non-Current Assets		
Property, plant and equipment	7	97,625
Right-of-use assets	8	63,805
Exploration and evaluation expenditure	9	119,834
Security Deposit		9,142
Total Non-Current Assets		**290,406**
TOTAL ASSETS		**1,301,026**
Current Liabilities		
Trade and other payables	10	23,767
Lease liabilites	11	22,714
Provisions	12	2,481
TOTAL CURRENT LIABILITIES		**48,962**
Non-Current Liabilities		
Lease liabilites (non-current)	11	41,091
Loan - vehicle		60,000
Convertible shareholder loans	13	106,015
Total Non-Current Assets		**207,106**
TOTAL LIABILITIES		**256,068**
NET ASSETS/(LIABILITIES)		**1,044,958**
Equity		
Contributed equity	14	1,085,501
Reserves	15	336,623
Accumulated profits/(losses)	16	(377,166)
TOTAL EQUITY		**1,044,958**

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

Dundas Minerals Limited
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the period 21 April 2020 to 30 June 2021

	Notes	30-Jun-21 $
Revenue from ordinary activities		
Interest Income	2(a)	58
Total Income		**58**
Expenses		
Minor equipment		(6,016)
Depreciation		(184)
Interest Expense (shareholder loans)		(2,812)
Exploration		(2,784)
Other expenses	2(b)	(115,039)
Share-based payments		(250,389)
Profit/(loss) before income tax expense		**(377,166)**
Income tax expense		-
Net profit/(loss) from continuing operations		**(377,166)**
Other comprehensive loss		
Items that will not be reclassified to profit and loss		-
Items that may be reclassified subsequently to profit and loss		-
Total comprehensive loss attributable to members of the parent entity		**(377,166)**
Basic profit (loss) per share ($'s per share)	3	(0.021)
Diluted profit (loss) loss per share ($'s per share)		(0.018)

The above statement of financial position should be read in conjunction with the accompanying notes.

Dundas Minerals Limited
STATEMENT OF CHANGES IN EQUITY
For the period 21 April 2020 to 30 June 2021

	Contributed Equity	Accumulated losses	Reserves	Total
	$	$	$	$
As at 21 April 2020	**2**	**-**	**-**	**2**
Profit (Loss) after income tax for the year	-	(377,166)	-	**(377,166)**
Total comprehensive profit (loss) for the year	**-**	**(377,166)**	**-**	**(377,166)**
Transactions with owners in their capacity as owners:				
Issue of share capital (net of issue costs)	1,085,499	**-**	**-**	**1,085,499**
Share based payments	-	-	336,623	**336,623**
Transferred to accumulated losses	-	-	-	**-**
As at 30 June 2021	**1,085,501**	**(377,166)**	**336,623**	**1,044,958**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Dundas Minerals Limited
STATEMENT OF CASH FLOWS
For the period 21 April 2020 to 30 June 2021

	Notes	30-Jun-21 $
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees		(33,135)
Interest received		58
Deposits paid		(9,142)
Net cash flows used in operating activities	4(b)	**(42,219)**
Cash Flows from Investing Activities		
Payments for exploration expenditure		(122,709)
Property, plant & equipment		(39,049)
Pre-paid annual tenement rents		(56,277)
Net cash used in investing activities		**(218,034)**
Cash Flows from Financing Activities		
Net proceeds from issue of shares		1,075,500
Net proceeds from convertible Notes	13	82,000
Net cash flows from financing activities		**1,157,500**
Net decrease in cash and cash equivalents		**897,247**
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	4	**897,247**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Corporate Information

The financial statements cover Dundas Minerals Limited for the period since incorporation, 21 April 2020 to 30 June 2021. The financial statements are presented in Australian dollars, which is Dundas Minerals Limited's functional and presentation currency.

Dundas Minerals Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 13, 100 Railway Road
Daglish 6008
Western Australia

The financial statements were authorised for issue, in accordance with the resolution of directors. The directors have the power to amend and reissue the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, Dundas Minerals Limited ("Dundas" or "Company"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial report is presented in Australian dollars. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(e) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(f) Furniture, fittings and other equipment

Each class of property, furniture, fittings and other equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Furniture, fittings and other equipment

Furniture, fittings and other equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of furniture, fittings and other equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(p) for details of impairment).

The carrying amount of furniture, fittings and other equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. 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 been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Furniture, fittings and other equipment	10% to 20%
Motor Vehicle	25%
Computer and like equipment	33%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Share-based payment transactions

The Company currently operates an employee securities incentive plan (ESIP) and has also awarded options to its directors outside of the plan but on similar terms and conditions, which provides benefits to directors, consultants, executives and employees. The Company may also award options or other equity instruments outside of the employee securities incentive plan to directors, consultants, executives and employees.

The Company measures the cost of equity-settled transactions with recipients by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Any underlying assumptions are detailed in Note 14(c).

(g) Employee benefits *(continued)*

Share-based payment transactions *(continued)*

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

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

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

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

Where the Company grants equity instruments (i.e. fully paid ordinary shares, or options to acquire fully paid ordinary shares of the Company) to service providers' as consideration for services provided to the Company, the consideration is classified as a share-based payment transaction, and the fair value of the equity instruments granted is measured at grant date by using a Black-Scholes valuation model. The value of equity securities (as measured by the Black-Scholes model) is taken to the profit and loss account or the balance sheet as applicable, together with a corresponding increase in equity.

(h) Exploration Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered 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 or loss in the year in which the 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 area according to the rate of depletion of the economically recoverable reserves.

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

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(i) Going Concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business for a period of 12 months from the date of issuing the financial statements.

The Company has incurred net cash outflows from operating and investing activities for the period 21 April 2020 to 30 June 2021 of $260,253. As at 30 June 2021, the Company had net current assets of $961,658.

The directors believe that there are sufficient funds to meet the Company's immediate working capital requirements and the Company believes that it will successfully raise additional funds, if required, to meet its financial obligations in future periods. As a result the financial report has been prepared on a going concern basis. However, should the Company be unsuccessful in securing future funding the Company may not be able to continue as a going concern.

(j) 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"). In these circumstances 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 are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Payables

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

(l) Issued Capital

Contributed Equity

Issued capital is recognised as the fair value of the consideration received by the Company.
Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Earnings per Share

Basic earnings per share ("EPS") are calculated based upon the net loss divided by the weighted average number of shares. Diluted EPS are calculated as the net loss divided by the weighted average number of shares and dilutive potential shares.

(m) Leases

The Company has only one lease, the office space that it occupies at suite 13, 100 Railway Road, Daglish 6008 WA. This lease has a 3 year term (expiring 30 April 2024), and the Company has an option to renew the lease for an additional 3 year term. Lease payments are made monthly and there is an annual 3% increase in the amount payable on the first and second anniversary of the lease. Variable outgoings are also paid to the building body corporate on a monthly basis,and adjusted against actual outgoings expenses annually.

The Company accounts for all leases in accordance with the requirements specified in **AASB 16,** and has consequently recognised a Right of use asset in the balance sheet as summarised in Note 8.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Company. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Company has only limited use of financial instruments through its cash holdings being invested in short term interest bearing securities. The primary goal of this strategy is to maximise returns while minimising risk through the use of accredited Banks with a minimum credit rating of A1 from Standard & Poors. Working capital is maintained at its highest level possible and regularly reviewed by the full board.

(p) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(q) Critical accounting estimates and judgements

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

<u>Share based payment transactions</u>

The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 14(e).

<u>Exploration and evaluation assets</u>

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Company's accounting policy (refer Note 1 (h)), requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. The Company applies the principles of AASB 6 and recognises exploration and evaluation assets when the rights of tenure of the area of interest are current, and the exploration and evaluation expenditures incurred are expected to be recouped through successful development and exploitation of the area. If, after having capitalised the expenditure under the Company's accounting policy in Note 1(h), a judgment is made that recovery of the carrying amount is unlikely, an impairment loss is recorded in profit or loss in accordance with the Company's accounting policy in Note 1(p). The carrying amounts of exploration and evaluation assets are set out in Note 9.

(r) New Accounting Standards for Application in Future Periods

A number of new standards and amendments to standards have been issued and are effective for future accounting periods, however the Company has not yet early adopted these and does not expect any standard or amendment not yet effective, to have a significant impact on the financial statements of the Company in future periods.

(s) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:
- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:
- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

(s) Financial Instruments (continued)
A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a Company of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments
At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3:Business Combinations applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(s) Financial Instruments (continued)

Compound financial instruments

Compound instruments (convertible shares) issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the arrangements. An option that is convertible and that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments will be classified as equity.

The fair value of the liability component is estimated on date of issue. This is done by using the prevailing market interest rate of the same kind of instrument. This amount is recognised using the effective interest method as a liability at amortised cost until conversion or the end of life of the instrument.

The equity portion is calculated by deducting the liability amount from the fair value of the instrument as a whole. The equity portion is not remeasured after initial recognition. Equity will remain as such until the option is exercised. When the option is exercised a corresponding amount will be transferred to share capital. If the option lapses without the option being exercised the balance in equity will be recognised in profit or loss.

Costs of the transaction of the issue of convertible instruments are proportionally allocated to the equity and liability. Transaction costs in regards to the liability are included in the carrying amount of the liability and are amortised over its life using the effective interest method. Transaction cost in equity is directly recognised in equity.

Impairment

The Company recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;
– lease receivables;
– contract assets (e.g. amounts due from customers under construction contracts);
– loan commitments that are not measured at fair value through profit or loss; and
– financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

– financial assets measured at fair value through profit or loss; or
– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

– the general approach
– the simplified approach
– the purchased or originated credit impaired approach; and
– low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and if:

– the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
– there is no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

– trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
– lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc.).
Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

(s) Financial Instruments (continued)

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(t) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are measured at management’s best estimate of the expenditure required to settle the present obligation at the reporting date.

2. Loss for the half-year includes the following specific income and expenses

	30-Jun-21
	$
(a) Revenue	
Interest income	58
	58
(b) Other expenses	
Accounting and audit fees	5,000
Bank fees	428
Insurance expense	591
Occupancy	3,157
Office & administration	4,336
ASIC fees	1,267
Shareholder loan conversion to equity	14,026
Consultants, Corporate & Investor Relations	86,234
	115,039

3. Earnings per share

	30-Jun-21
	$
Basic profit (loss) per share	(0.021)
Diluted profit (loss) per share	(0.018)

	Number
The weighted average number of ordinary shares used in the calculation of basic earnings per share was:	17,959,166

Options to purchase ordinary shares not exercised at 30 June 2021 have not been included in the determination of basic earnings per share.

4. Cash and cash equivalents

(a) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30-Jun-21
	$
Cash at bank and on hand	897,247
	897,247

(b) Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities:

	30-Jun-21
	$
Loss from ordinary activities after income tax	(377,166)
Non-cash items:	
- Depreciation expense (Operations)	184
- Share based payments	336,623
- Interest expense	2,812
- Shareholder loan conversion to equity	14,026
Change in operating assets and liabilities:	
- Increase / (decrease) in operating trade and other payables	13,125
- (Increase) / decrease in operating trade and other receivables	(22,681)
- Increase / (decrease) in operating deposits	(9,142)
Net cash outflows from Operating Activities	**(42,219)**

5. Trade and other receivables

	30-Jun-21 $
CURRENT RECEIVABLES	
Refunds from tenement applications withdrawn	4,763
GST receivable	14,486
Other receivable	8,772
	28,021

6. Prepaid Expenses

	30-Jun-21 $
Insurance and workers compensation	3,830
Office rent & outgoings	2,770
Annual exploration tenement rents	56,277
	62,877

7. Property, plant and equipment

	30-Jun-21
Office Furniture and Equipment	**$**
At cost	**6,553**
Less: accumulated depreciation	(184)
Total plant and office equipment	**6,369**
Motor Vehicle	
At cost	**90,599**
Less: accumulated depreciation	(1,142)
Total motor vehicle	**89,457**
Exploration Equipment	
At cost	**1,897**
Less: accumulated depreciation	(99)
Total exploration equipment	**1,798**

Reconciliation

Reconciliation of the carrying amounts for each class of plant and equipment are set out below:

	30-Jun-21
Office Furniture and Equipment	**$**
Carrying amount at the beginning of the period	**-**
Additions	6,553
Depreciation expense (profit & loss account)	(184)
Carrying amount at the end of the period	**6,369**
Motor Vehicle	
Carrying amount at the beginning of the period	**-**
Additions	90,599
Depreciation as capitalised exploration expenditure	(1,142)
Carrying amount at the end of the period	**89,457**
Exploration Equipment	
Carrying amount at the beginning of the period	**-**
Additions	1,897
Depreciation expense (profit & loss account)	-
Depreciation as capitalised exploration expenditure	(99)
Carrying amount at the end of the period	**1,798**

8. Right-of-use Assets

	30-Jun-21
	$
At cost	**67,462**
Accumulated depreciation	(3,657)
Net carrying amount	**63,805**

Reconciliation

Reconciliation of the carrying amount of right-of-use assets at the beginning and end of the current period.

Right-of-use assets

At beginning of the period net of accumulated depreciation	-
Application during the period	67,462
Depreciation charge for the period	(3,657)
At 30 June 2021 net of accumulated depreciation	**63,805**

9. Exploration and Evaluation expenditure

	30-Jun-21
	$
Carrying amount at the beginning of period	**-**
Exploration and evaluation expenditure incurred during the period (at cost)	119,834
Carrying amount at the end of the period	**119,834**

10. Trade and other payables

	30-Jun-21
CURRENT PAYABLES (Unsecured)	$
Accrued expenses	13,125
PAYG payable	10,642
Total trade and other payables	**23,767**

11. Lease Liability

	30-Jun-21
	$
Liability at the beginning of the period	**-**
Liability arisen during the period	67,462
Liability discharged during the period	(3,657)
Liability at the end of the period	**63,805**

Reconciliation of lease liability

Current portion of liability	22,714
Non-current portion of liability	41,091
Total liability at end of the period	**63,805**

12. Provisions

	30-Jun-21
CURRENT	$
Provision for annual leave	2,481
Total provisions	**2,481**

13. Convertible shareholder loans

	30-Jun-21
	$
Amount at the beginning of period	**-**
Principal draw-down during the period	82,000
Interest accrued	2,812
Cost of shareholder loan conversion to equity during the period	14,026
Provision for shareholder loan conversion to equity future periods	7,177
Amount at the end of the period	**106,015**

Details of Shareholder Convertible Loans

Each of Mr Volk and Mr Hronsky (each a Lender) has entered into a Convertible Loan Agreement with the Company. Each agreement is for a maximum loan amount of $150,000 (for total loan funds available to the Company of $300,000). Drawdown on each loan is via Notice from the Company and interest is payable on each draw-down amount at the rate of 5% p.a., accrued monthly. At the election of each Lender, their loan plus the accrued interest, is convertible into fully paid ordinary shares of the Company, either (a) at a 20% discount to the price that the Company's shares are offered under an IPO capital raising prospectus; or (b) a 20% discount to the 20-day VWAP of the Company's shares as traded on the ASX prior to the lender making the election to covert; provided that for both (a) and (b) an IPO of the Company's shares has completed by 1 June 2023. If an IPO of the Company's shares has not completed by 1 June 2023, each loan plus accrued interest converts into fully paid ordinary shares of the Company at the price of $0.01 per share. Each loan plus accrued interest is repayable by the Company upon written demand from the Lender, but only if such demand is issued before 1 June 2025. The Company may repay each loan at any time “early repayment”, but if doing so must pay a 25% premium on the outstanding loan and accrued interest amounts.

14. Contributed Equity

	30-Jun-21
(a) Ordinary shares	**$**
Contributed equity at the beginning of the period	**2**
Shares issued during the period	1,087,732
Transaction costs relating to shares issued	(2,233)
Contributed Equity at the end of the reporting period	**1,085,501**

Movements in ordinary share capital	**30-Jun-21**
Ordinary shares on issue at the beginning of reporting period	**-**
Shares issued during the period:	
21-April-20 at $1.00	2
22-June-20 at $nil	20,000,000
19-April-2021 at $nil	1,000,000
14-May-21 at $0.14	3,210,428
4-June-21 at $0.14	71,429
4-June-21 at $0.14	4,487,643
Ordinary shares on issue at the end of the reporting period	**28,769,502**

(b) Options

The Company issued 20,000,000 options at nil per option during the reporting period. 4,000,000 of the options were issued to Mr Mike Northcott in accordance with the terms and conditions of the Company Employee Securities Incentive Plan (ESIP), 12,000,000 options were issued to the Company’s directors (5,000,000 to each of Mr Tim Hronsky and Shane Volk and 2,000,000 to Mr Mark Chadwick) and 4,000,000 options were issued to others.

No options vested, no options expired, and no options were exercised during the period.

As at the end of the reporting period, the Company had the following options on issue:

Director options: Exercise price $0.25, expiring 5 years after quotation of the Company's shares on the ASX	6,000,000
Director options: Exercise price $0.30, expiring 5 years after quotation of the Company's shares on the ASX	6,000,000
Employee options: Exercise price $0.25 each, expiring 1 July 2026	2,000,000
Employee options: Exercise price $0.30 each, expiring 1 July 2026	2,000,000
Options: Exercise price $0.25 each, expiring 1 July 2024	2,000,000
Options: Exercise price $0.30 each, expiring 1 July 2024	2,000,000
Total options on issue at end of the reporting period	**20,000,000**

14. Contributed Equity *(continued)*

The Company did not have any options on issue at the beginning of the reporting period.

Each option converts to one fully paid ordinary share of the Company upon payment of the exercise price of the option. For the employee options, 50% vest and become exercisable following one year of full time employment with the Company, with the remaining 50% vesting and becoming exercisable following 2 years of employment with the Company.

The fair value of options is estimated at the date of grant using a Black-Scholes valuation model taking into account the terms and conditions upon which the options were awarded, and the fair value of options is re-assessed each balance date by reference to the fair value of the options at the time of award, adjusted for the probability of achieving the vesting conditions, which may change from balance date to balance date and consequently impact the amount to be expensed via profit and loss account in future periods.

(c) Share Based Payments

Option fee to acquire exploration licence

During the period the Company issued 71,429 shares at $0.14 per share (total value $10,000) to a Golden Camel Mining Pty Ltd as payment for an exclusive option to acquire exploration licence E63/2063 after it is granted. The amount of $10,000 was recorded in the balance sheet (exploration) for this transaction.

Issue of options for Consultancy Services - Corporate Advisory

In June 2021, the Company issued 4,000,000 options to Jay-V Inc. for various corporate advisory services. 50% of the options have an exercise price of $0.25 and the other 50% $0.30. The options have an expiry date of 1 July 2024. The options were valued using a Black-Scholes pricing model that took into account the term, underlying value of the shares, exercise price etc. and derived a valuation of $86,234, which was booked into the profit and loss account as a consultancy fee.

Fair Value of options

The fair value of the options awarded during the period at the award date was calculated using the Black Scholes pricing model that took into account the term, the underlying value of the shares, the exercise price, the expected dividend yield, the impact of dilution and the risk-free interest rate. Inputs used for each series granted included:

	Options - Valuation Assumptions	
Variable	**employees**	**employees**
Exercise price for the option	$0.25	$0.30
Market price for the shares at date of valuation / issue	$0.140	$0.140
Volatility of company share price	50.0%	50.0%
Dividend yield	0%	0%
Risk free rate	0.70%	0.70%
Expiry from date of grant (number of years)	5.08	5.08
Number of options issued	**2,000,000**	**2,000,000**

	Options - Valuation Assumptions	
Variable	**Directors**	**Directors**
Exercise price for the option	$0.25	$0.30
Market price for the shares at date of valuation / issue	$0.100	$0.100
Volatility of company share price	50.0%	50.0%
Dividend yield	0%	0%
Risk free rate	0.70%	0.70%
Expiry from date of grant (number of years)	5.64	5.64
Number of options issued	**6,000,000**	**6,000,000**

	Options - Valuation Assumptions	
Variable	**Consultant**	**Consultant**
Exercise price for the option	$0.25	$0.30
Market price for the shares at date of valuation / issue	$0.140	$0.140
Volatility of company share price	50.0%	50.0%
Dividend yield	0%	0%
Risk free rate	0.70%	0.70%
Expiry from date of grant (number of years)	3.08	3.08
Number of options issued	**2,000,000**	**2,000,000**

14. Contributed Equity *(continued)*

The expected volatility during the term of the shares is based around assessments of the historical volatility of the company share price and the dividend yield of 0% is on the basis that the company does not anticipate paying dividends in the period between the issue date and the final vesting date for the shares.

The value of the options has been expensed on a proportionate basis for each period from grant date to vesting date. The proportion of the value of the options that were issued during the period has accounted as an expense in the share based payments reserve, the amount for these options is $250,389. Vesting of the employee options are subject to the attainment of 12-months service with the Company when 50% of the options vest and 24 months service when the balance of the options vest. As at the date of this report none of the employee options had vested

Employee Securities Incentive Plan

The establishment of the Dundas Minerals Limited Employee Securities Incentive Plan ("the ESIP") was approved by shareholders on 12 April 2021. All eligible directors, executive officers, employees and consultants of Dundas Minerals Limited, are eligible to participate in the ESIP.

The ESIP is managed by the board of Dundas Minerals and allows the Company to offer securities (Shares, Rights and Options) to eligible persons for nil consideration. The securities can be granted free of charge, and vesting conditions may apply, whereby certain pre-determined conditions may be imposed that would need to be attained prior to a share, option or right being able to be sold or exercised at a pre-determined fixed price calculated in accordance with the ESIP.

There were 4,000,000 options issued during the reporting period under the ESIP, details are shown in note 14(a), above

15. Financial Instruments

The Company's activities expose it to a variety of financial risks and market risks. 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.

(a) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is as follows:

2021	Notes	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate $	Fixed Interest Rate $	Assets/ (Liabilities) Non Interest Bearing $	Total $
Financial Assets	-					
Cash and cash equivalents	4(a)	0.20%	897,245	-	-	**897,245**
Other receivables	5		-	-	28,021	**28,021**
Total Financial Assets			**897,245**	**-**	**28,021**	**925,266**
Financial Liabilities	-					
Payables	10	0.00%	-	-	23,767	**23,767**
Total Financial Liabilities			**-**	**-**	**23,767**	**23,767**
Net Financial Assets/Liabilities			**897,245**	**-**	**4,254**	**901,499**

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it.

(c) Commodity Price Risk & Liquidity Risk

At the present state of the Company's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The Company's objective is to maintain a balance between continuity of development funding and flexibility through the use of available cash reserves.

(d) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where the carrying amount exceeds net fair values at balance date. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

16. Reserves

	30-Jun-21
	$
Share based payments reserve	(336,623)
Carrying amount at the end of the period	**(336,623)**
Movements:	
Share based payments reserve	
Balance at the beginning of the period	
Fair value of ESIP options issued	-
Balance at end of period	(336,623)

17. Accumulated losses

	30-Jun-21
	$
Carrying amount at the beginning of the period	-
(Loss) or profit for the period	(377,166)
Carrying amount at the end of the period	**(377,166)**

18. Auditors' remuneration

	30-Jun-21
	$
Audit - Moore Australia Audit (WA)	
Audit and review of the financial reports	5,000

19. Related Parties

Transactions with key management personnel

The Company entered into a sub-lease arrangement for a portion of its office space and one of two car bays, with Perk Capital Advisors Pty Ltd (formerly named Ribicon Corporate Advisory Pty Ltd) a company that is controlled by the Company's chairman - Mark Chadwick. The sub-lease is on normal commercial terms and conditions, at a rate of $1,100 (plus GST) per calendar month. During the period covered by this report Perk Capital Advisors Pty Ltd paid $2,200.00 plus GST to the Company in relation to the sublease.

During the financial year there were no loans made or outstanding at year end.

20. Expenditure commitments

(a) Exploration

As at the date of this report, four (4) of the exploration licences that the Company has applied for have been granted. There is a minimum annual expenditure requirement of $115,000 in total for these licences (details in the directors report). In addition, once any of the other exploration licences that the Company has applied for is granted, the Company will have certain obligations to perform minimum exploration work on each licence. These obligations may vary over time, depending on the Company's exploration programs and priorities. For the first year of an exploration licence the minimum prescribed expenditure is $1,000 per graticular block. In total the Company has made application for 12 licences (4 of which are granted) covering a combined area of 400 graticular blocks, as detailed in the directors report.

In June 2021, the Company executed an agreement with Atlas Geophysics Pty Ltd for it to conduct a detailed ground gravity survey across the area of the 11 Dundas project exploration licence applications. The survey is scheduled for August 2021 and the estimated cost is $197,000. Also in June 2021, the Company executed an agreement with SkyTEM Australia Pty Ltd for it to conduct an air borne electro-magnetic survey across the majority of the area of the Dundas project exploration licence applications. This survey is scheduled for early August 2021, and the estimated cost of the survey is $307,000.

21. Employee entitlements and superannuation commitments

Employee entitlements

There are the following employee entitlements at the end of the reporting period: Annual Leave Provision: $2,481.

Directors, officers, employees and other permitted persons Employee Securities Incentive Plan (ESIP)

Details of the Company's ESIP are disclosed in Note 14(c).

Superannuation commitments

The Company contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability. Accordingly no actuarial assessment of the plans is required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
- voluntary termination by all employees of their employment; and
- compulsory termination by the employer of the employment of each employee.

During the period of this report employer contributions (including salary sacrifice amounts) to superannuation plans totalled $2,850.

22. Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2021 other than:

Native Title and Aboriginal Heritage

Native title determinations have been made with respect to the areas covered by the 11 Dundas project exploration licence applications (4 of which have been granted), that have been made by the Company. The Company has executed Heritage Protection Agreements (HPA's) with both native title determination groups, the Ngadju and the Esperance Tjaltjraak. Each HPA sets out the protocol to be followed by the Company and the respective native title group in relation to Aboriginal Heritage issues regarding planned exploration activities. Any further mining activities would be governed by a separate agreements, the terms of which may or may not impact any future mining and development activities that the Company may propose within the native title determination areas.

23. Events subsequent to balance date

There has not arisen, since the end of the financial year, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years that has otherwise not been disclosed in these financial statements or the directors report.

Declaration by Directors

The Directors of the Company declare that:

1. The financial statements and note, as set out on pages 9-28, are in accordance with the Corporations Act 2001:

    (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.

2. The Managing Director and Chief Financial Officer have given the declaration required by s295A of the Corporations Act 2001.

3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Shane Volk
Managing Director and Company Secretary

3 August 2021
Perth, Australia

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DUNDAS MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dundas Minerals 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a) the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Independence

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DUNDAS MINERALS LIMITED (CONTINUED)

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

SHAUN WILLIAMS
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth on the 3rd day of August 2021