



**AQUIRIAN LIMITED  
ABN: 23 634 457 506  
AND CONTROLLED ENTITIES**

**ANNUAL REPORT – 30 JUNE 2021**

**AQUIRIAN LIMITED AND CONTROLLED ENTITIES**  
**CORPORATE DIRECTORY**  
**30 June 2021**

|                                       |                                                                                                                                                                            |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>                      | Bruce McFadzean (appointed 9 April 2021)<br>Alexandra Atkins (appointed 9 April 2021)<br>David Kelly (appointed 27 June 2019)<br>Gregory Patching (appointed 27 June 2019) |
| <b>Company Secretary</b>              | Victor Goh<br>C/- Small Cap Corporate Pty Ltd<br>Suite 1<br>295 Rokeby Road<br>Subiaco WA 6008                                                                             |
| <b>Registered Office</b>              | Level 3<br>190 St Georges Terrace<br>Perth WA 6000                                                                                                                         |
| <b>Share register</b>                 | Automic Group<br>Level 2<br>267 St Georges Terrace<br>Perth WA 6000                                                                                                        |
| <b>Auditors</b>                       | Pitcher Partners BA&A Pty Ltd<br>Level 11<br>12-14 The Esplanade<br>Perth WA 6000                                                                                          |
| <b>Legal Advisers</b>                 | Grondal Bruining Pty Ltd<br>Suite 2B Level 2<br>22 Delhi Street<br>West Perth WA 6005                                                                                      |
| <b>Website</b>                        | <a href="https://www.aquirian.com/">https://www.aquirian.com/</a>                                                                                                          |
| <b>Corporate Governance Statement</b> | A copy of the Corporate Governance statement can be found at <a href="https://www.aquirian.com/">https://www.aquirian.com/</a>                                             |

## LETTER FROM THE CHAIRPERSON

Dear Shareholders,

As Chairperson of Aquirian Limited, I'm pleased to outline the exciting transformational period the Company has experienced over the past twelve months.

During the 2021 financial year, Aquirian went from strength to strength operationally, commercially, and strategically, culminating in its oversubscribed initial public offering (IPO), which further supports the Company's strong business fundamentals and a positive outlook for sustainable growth across its business units.

Aquirian successfully listed on the Australian Securities Exchange (ASX) on 27 July 2021 following months of hard work from our advisors and the Executive team, led by Managing Director, David Kelly and Executive Director, Greg Patching.

As you are aware, Aquirian is a Perth-based, multi-disciplined and cross-functional mining services business specialising in two key Divisions;

- **Mining Services** - drill and blast products and equipment leasing under the **TBS Mining Solutions**, **Collar Keeper®** and **Maglok®** brands.
- **People Services** - training, labour, recruitment under the **Modular Training** and **TBS Workforce** brands.

In FY21, Aquirian continued to build on its strong track record of revenue growth. The Company delivered expansions to its mining equipment fleet and integrated the Maglok acquisition. Ongoing development of our intellectual property (IP) and patents from further development of Collar Keeper® system combined with ensuring performance of the People Services division provides a sound pathway for revenue growth. The Company continues to leverage on the synergies provided from those business units as it delivers an increased range of client products and services.

During the year, Aquirian has strengthened the Board and Executive Leadership Team with the appointment of Alexandra Atkins as Non-Executive Director, Mark Hunter as Chief Financial Officer and myself, Bruce McFadzean, as Non-Executive Chairperson. These appointments further enhance Aquirian's capability and experience to strategically grow the business and deliver shareholder value.

The ongoing development (and IP protection) of the **Collar Keeper®** and the **Collar Keeper® System** technology and innovation remain central to providing Aquirian's clients 'end-to-end' total quality assurance in blast hole drilling. Aquirian continues to work on its technology pipeline, and it expects to be prototyping and trialling the **Collar Keeper® System** in the first half of the FY22 financial year.

With Maglok now integrated, we look forward to the benefits of our new production premises and growing order book supplying into the military, law enforcement and the resources sector in both Australia and New Zealand.

The underground equipment fleet under **TBS Mining Solutions** has increased to thirteen units, with all available equipment engaged with our increasing client base or undergoing mid-life re-builds. Growing our equipment revenue opportunity has been assisted by consolidating our financing under a single debt facility providing access to lower cost and additional funding to grow the business in line with our strategy.

Sound growth opportunities from focusing on developing and maintaining strong relationships with customers and suppliers from our proven and developing services will aid our growth strategy in an exciting market where future facing minerals are key to the development and sustainable future of our changing world.

Most importantly, Aquirian remains focused on the safety and wellbeing of its employees and customers recording zero recordable safety incidents for FY21.

Finally, Aquirian is committed to providing measurable Environmental and Social benefits for its employees, clients, shareholders and the community, and the Company looks forward to continuing to provide further positive impacts to the industry through its conduct and innovative technology.

In summary, I would like to acknowledge and thank the Aquirian team, our Advisors, our shareholders, and all our stakeholders for their support and efforts in our journey over the past 12 months. We will continue to focus on growth and value for all our stakeholders over 2022.

Sincerely,



Bruce McFadzean.

## AQUIRIAN LIMITED AND CONTROLLED ENTITIES DIRECTORS' REPORT

The Directors present their report together with the financial report of the consolidated entity consisting of Aquirian Limited and the entities it controlled ("the Group"), for the financial year ended 30 June 2021 and auditor's report thereon.

### Directors

The names of Directors in office at any time during or since the end of the year are:

Bruce McFadzean – Non-Executive Chairperson (appointed 9 April 2021)

Alexandra Atkins – Non-Executive Director (appointed 9 April 2021)

David Kelly – Managing Director

Gregory Patching – Executive Director

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

### Principal activities

The principal activities of the Group during the financial year were the provision of equipment, workforce, products and training solutions to the mining and resources industry.

### Review of operations

The Group remains focused on the safety and wellbeing of its employees, ESG, quality service provision, and providing real solutions to customers. The ongoing development (and intellectual property (IP) protection) of the Collar Keeper® and the Collar Keeper® System technology and innovation remains central to providing clients with 'end-to-end' total quality assurance in blast hole drilling.

The Group recorded zero recordable safety incidents for the year.

The year ended 30 June 2021 represented a transformational year for the Group with growth in the mining equipment fleet, integration of the Maglok acquisition, continued intellectual property (IP) and patent development and, significant focus of our People Services division while operating within a challenging global environment. The Group continues to leverage the synergies from the Group's individual businesses through cross pollination of opportunities as we deliver an increased range of client offerings.

Despite the Coronavirus ("COVID-19") impacting the People Services division and international mining product sales, the Mining Services division delivered increased performance through equipment fleet growth, increased domestic mining product sales, and the Maglok acquisition. The Group delivered stable financial performance with operating cashflows of \$1,247,163 (2020: \$1,115,549), and a statutory consolidated profit after income tax of \$623,358 (2020: \$1,174,311). The underlying consolidated profit after income tax was \$1,091,488 (2020: \$1,174,311) which excludes initial public offering ("IPO") and associated governance restructure costs of \$515,777.

Mining Services global product sales were impacted by COVID-19, particularly Collar Keeper® sales in North and Latin America. This was partially offset with an increase in Australian domestic sales. The Group continued to strengthen the IP portfolio throughout the year in line with information provided in the prospectus.

The Group consolidated its equipment financing under one debt facility to access lower cost and additional funding to grow the mining equipment fleet. The underground equipment fleet has increased to thirteen units, with all available equipment engaged with our increasing client base.

The integration of Maglok into the Group, which was acquired in October 2020, has been successfully completed. Maglok's order book is strong and has recently secured more appropriate facilities to increase its capacity and capability to provide a greater service offering.

During the 30 June 2021 year, Aquirian Limited has seen a strengthening of the Board and Executive Leadership Team with the appointment of Bruce McFadzean as Non-Executive Chairperson, Alexandra Atkins as Non-Executive Director and Mark Hunter as Chief Financial Officer. This is in addition to the existing Directors, David Kelly, Managing Director and Greg Patching, Executive Director. These appointments further enhance the Group's capability and focus to strategically grow the business and deliver shareholder value.

On 27 July 2021, Aquirian Limited successfully listed on the Australian Securities Exchange ("ASX").

The Group provides specialised People Services (training, labour, recruitment) under the Modular Training and TBS Workforce brands, and Mining Services (equipment leasing, drill and blast products) under the TBS Mining Solutions, Collar Keeper® and Maglok brands to the mining and resources, and civil and defence sectors in Australia and internationally.

### **Results**

The statutory consolidated profit after income tax attributable to the members of Aquirian Limited was \$623,358 (2020: \$1,174,311). The statutory consolidated profit after income tax includes 'one time' costs associated with Aquirian Limited's admission to the official list of the ASX and IPO.

As disclosed in the Statement of Profit or Loss and Comprehensive Income, the Group incurred costs of \$411,009 in relation to the IPO to 30 June 2021. A further \$104,768 was also incurred in Directors, employee, and consultant expenses related to establishing an experienced board and executive structure as a direct result of the IPO. In aggregate, these costs amounted to \$515,777 and were expensed during the year ended 30 June 2021.

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

On 4 October 2020, the Group acquired 100% of the business assets and liabilities of Maglok Australia, an explosives and dangerous substances storage manufacturing business. Total consideration paid for the acquisition was \$700,000, net of adjustment for certain liabilities assumed.

On 9 April 2021, the existing Shareholders resolved to change the company type of Aquirian Pty Ltd from a proprietary company limited by shares to a public company limited by shares, which took effect from 27 May 2021.

On 27 July 2021, Aquirian Limited successfully listed on the ASX.

The financial statements reflect the continuing business of the Group.

There were no other significant changes in the state of affairs of the Group during the financial year.

### **Subsequent events**

The impact of the COVID-19 pandemic is ongoing and evolving, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to evolve and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any further economic measures implemented.

On 27 July 2021, Aquirian Limited successfully listed on the ASX.

In accordance with the prospectus, the listing included:

- Issue of 40,000,000 shares at \$0.20 per share to raise \$8,000,000 (before costs)
- Issue of 1,500,000 options to the Joint Lead Managers
- Issue of 550,000 options to Non-Executive Chairperson, Bruce McFadzean
- Issue of 450,000 options to Non-Executive Director, Alexandra Atkins

1,250,000 options issued to the Joint Lead Managers and Non-Executive Directors have an exercise price of \$0.25 per share and expiry date of 3 years from the date of listing. The remaining 1,250,000 options issued have an exercise price of \$0.35 per share and expire 4 years following the date of listing.

Considering the limited timeframe since listing on the ASX, the Group confirms that it expects to utilise the funds raised under its prospectus in accordance with the use of funds statement. The key business objectives underlying the expected use of funds remain intact.

In August 2021 the Group increased its asset finance facility with a major Australian bank from \$2,500,000 to \$5,000,000. The revised finance facility will assist with the acquisition and mobilisation of new equipment.

In August 2021, the Group secured a new fit for purpose manufacturing facility in South Australia for its Maglok manufacturing operations.

No other matters or circumstances have arisen since 30 June 2021 that has materially affected, or may materially affect the Group's operations, the results of those operations, or its state of affairs in future financial years.

### **Likely developments**

As the Group develops its technology, grows its equipment fleet, and expands its manufacturing capacity, in line with the proposed use of funds statement, the Group expects to grow its customer base in Australia and internationally.

Fleet capacity has been increased with the acquisition of an additional Caterpillar R2900G underground loader, two additional Fuso Canter shotfirer vehicles and four additional Toyota Landcruiser shotfirer vehicles. A new fit for purpose Maglok manufacturing facility has been secured in Lonsdale, South Australia which the Group will relocate to in October 2021.

There is presently sound growth opportunities across the Group. It is expected that the Group will continue to build its relationships with customers and suppliers and ensure it has access to the appropriate capacity and capability to capitalise on new opportunities as they arise.

The Group continues to work on its technology pipeline, and it expects to be prototyping the Collar Keeper® System in the first half of the FY2022.

### **Environmental regulation**

The Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

**Dividends**

No dividends were paid, recommended, or declared since the start of the financial year (period ended 30 June (2020: \$NIL).

**Share options granted to Directors and officers**

Options over unissued ordinary shares granted by Aquirian Limited during or since the financial year end, including options granted to Directors and key management personnel of the Group (other than the Directors), were as follows:

| <b>Directors</b> | <b>Options granted</b> |
|------------------|------------------------|
| Bruce McFadzean  | 550,000                |
| David Kelly      | -                      |
| Gregory Patching | -                      |
| Alexandra Atkins | 450,000                |

Further details regarding options granted as remuneration to key management personnel are provided in the Remuneration Report below.

**Shares under option**

Unissued ordinary shares of Aquirian Limited under option at the date of this report are as follows:

| <b>Date options granted</b> | <b>Number of<br/>unissued ordinary<br/>shares under option</b> | <b>Exercise price of<br/>shares</b> | <b>Expiry date of<br/>the options</b> |
|-----------------------------|----------------------------------------------------------------|-------------------------------------|---------------------------------------|
| 27 July 2021                | 1,250,000                                                      | \$0.25                              | 27 July 2024                          |
| 27 July 2021                | 1,250,000                                                      | \$0.35                              | 27 July 2025                          |

No option holder has any right under the options to participate in any other share issue of Aquirian Limited.

**Shares issued on exercise of options**

No shares were issued during the reporting period or up to the date of this report on exercise of options.

### Information on Directors and company secretary

The qualifications, experience and special responsibilities of each person who has been a Director of Aquirian Limited at any time during or since 1 July 2020 is provided below, together with details of the company secretary as at the year end.

**Bruce McFadzean**

*Non-Executive*

*Chairperson*

(Appointed 9 April 2021)

Bruce is a qualified mining engineer with more than 40 years' experience in the global resources industry. Bruce has led the financing, development and operation of several new mines around the world. His professional career includes 15 years with BHP Billiton and Rio Tinto in a variety of positions and four years as Managing Director of Catalpa Resources Limited, a successful Western Australian gold miner which, under his management, saw its market capitalisation grow from \$10 million to \$1.2 billion following its merger with Evolution Mining.

Bruce is currently a Non-Executive Director of Sheffield Resources Limited (ASX: SFX) and a Non-Executive Director of Hastings Technology Metals Limited (ASX: HAS).

**David Kelly**

*Managing Director*

(Appointed 27 June 2019)

David has worked globally in the mining industry for over 20 years, predominantly in the drill and blast sector. David joined the Group shortly after it was founded. Prior to joining Aquirian Limited, he was the founding Managing Director of Hanwha Mining Services in Australia. His career has also included over a decade with Orica where he worked in various commercial and operations roles in Australia, Hong Kong and Indonesia, including leading group training globally.

David has a Graduate Certificate in Business from UWA, has completed the AICD International Directors Course and is a member of the AICD.

**Gregory Patching**

*Executive Director*

(Appointed 27 June 2019)

Gregory has worked in the mining industry for over 30 years, predominantly in the drill and blast sector. With over 20 years with Orica, Gregory served as the President Director of Indonesia along with global customer management with all the major mining houses.

Gregory founded the Group and has a long track record of delivery across a number of businesses. Managing the innovation and intellectual property (IP) commercialisation pipeline will be his prime focus. Gregory is also a graduate of the AICD.

**Alexandra Atkins**

*Non-Executive*

*Director*

(Appointed 9 April 2021)

Alexandra has over 7 years of Non-Executive Director experience with listed companies and NFPs.

Alexandra has over 25 years multi-disciplinary and multi-commodity mining experience across the full value chain throughout Australia and Papua New Guinea in roles that find, design and run mines, regulate mines and has also worked at Deloitte. She is also Managing Director and Principal at Alex Atkins & Associates, a mining risk consultancy focused on protection/conformance (assurance) and performance (digital transformation).

With core competencies as a mining and geotechnical engineer, Alexandra has developed strong skills in finance, strategy, risk and governance which she has further honed during her time at Deloitte, as an executive consultant and on boards. "Alex's X-Factor" is her leadership of the digital transformation of mining whilst managing mining's critical material risks.

Alexandra is currently a Non-Executive Director of Perenti Global Limited (ASX: PRN), Non-Executive Director of Strandline Resources Limited (ASX: STA) and a Non-Executive Director of IWIM (International Women in Mining). She is a former Director of the Australasian Institute of Mining and Metallurgy.

### **Directors' meetings**

The number of meetings of the board of Directors and of each board committee held during the financial year and the numbers of meetings attended by each Director were:

|                  | <b>Board of Directors</b> |                 |
|------------------|---------------------------|-----------------|
|                  | <b>Eligible to attend</b> | <b>Attended</b> |
| Bruce McFadzean  | 1                         | 1               |
| David Kelly      | 1                         | 1               |
| Gregory Patching | 1                         | 1               |
| Alexandra Atkins | 1                         | 1               |

### **Directors' interests in shares or options**

Directors' relevant interests in shares of Aquirian Limited or options over shares in the Group (or a related body corporate) are detailed below:

| <b>Directors' relevant interests in:</b> | <b>Ordinary shares of Aquirian Limited</b> | <b>Options over shares in Aquirian Limited</b> |
|------------------------------------------|--------------------------------------------|------------------------------------------------|
| Bruce McFadzean                          | 197,320                                    | 550,000                                        |
| David Kelly                              | 6,431,500                                  | -                                              |
| Gregory Patching                         | 20,279,000                                 | -                                              |
| Alexandra Atkins                         | -                                          | 450,000                                        |

### **Indemnification and insurance of Directors, officers**

The Group has indemnified the Directors and executives of the Group for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Since the end of the financial year, the Group paid a premium in respect of a contract to insure the Directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001. Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

### **Proceedings on behalf of the Group**

No person has applied for leave of Court to bring proceedings on behalf of Aquirian Limited or any of its subsidiaries.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

### **Non-audit services**

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise with the Group is important. Non-audit services were provided by the Group's current auditors, Pitcher Partners BA&A Pty Ltd.

The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Aquirian Limited or any of its related entities, acting as an advocate for Aquirian Limited or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of Aquirian Limited or any of its related entities.

|                                                                                                                   | <b>2021</b>   | <b>2020</b>   |
|-------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                   | <b>\$</b>     | <b>\$</b>     |
| <b>Amounts paid and payable to Pitcher Partners BA&amp;A Pty Ltd and related entities for non-audit services:</b> |               |               |
| Due diligence services                                                                                            | 27,396        |               |
| Taxation services                                                                                                 | 47,650        | 39,943        |
| <b>Total auditors' remuneration for non-audit services</b>                                                        | <b>75,046</b> | <b>39,943</b> |

### **Rounding of amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

### **Remuneration report (Audited)**

The Directors present the Group's 2021 remuneration report which details the remuneration information for Aquirian Limited's Directors and other key management personnel.

#### **A. Details of key management personnel**

| <b>(i) Directors</b>   | <b>Period of Responsibility</b> | <b>Position</b>           |
|------------------------|---------------------------------|---------------------------|
| Bruce McFadzean        | Appointed 9 April 2021          | Non-Executive Chairperson |
| David Kelly            | Appointed 27 June 2019          | Managing Director         |
| Gregory Patching       | Appointed 27 June 2019          | Executive Director        |
| Alexandra Atkins       | Appointed 9 April 2021          | Non-Executive Director    |
| <b>(ii) Executives</b> |                                 |                           |
| Mark Hunter            | Appointed 27 April 2021         | Chief Financial Officer   |

#### **B. Remuneration policies**

As part of the IPO process and upon commencement of Mr McFadzean and Ms Atkins, the board established a policy for determining the nature and amount of remuneration of key management personnel that is agreed by the board of Directors as a whole.

Prior to the above, Mr Kelly and Mr Patching's remuneration was determined at the discretion of Management and not documented by any formal employment arrangement.

The board obtains independent professional advice where necessary (and did obtain advice as detailed in section H of this remuneration report) to ensure that the Group attracts and retains talented and motivated Directors and employees who can enhance group performance through their contributions and leadership.

For executives, the Group provides a remuneration package that incorporates both cash-based remuneration and an entitlement to participate in share-based remuneration as part of the Group's short and long term incentive plans.

The contracts for service between the Group and executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Share-based remuneration is conditional upon continuing employment thereby aligning executives and shareholder interests.

Non-executive Directors receive fees (salary) and may receive options for the purposes of aligning their interest more closely with the interest of the Group without conflicting on their obligation to bring independent judgement to matters before the board.

The Group determines the maximum amount for remuneration, including thresholds for share-based remuneration, for Directors by resolution.

### *Service Agreements*

The Group has entered into service agreements with the following key management personnel. Key terms of their service agreements have been outlined below:

#### *Bruce McFadzean (Appointed 9 April 2021)*

##### *Non-Executive Chairperson*

- A cash salary of \$55,000 per annum, inclusive of any statutory superannuation obligations;
- A restraint period of 6 months following cease of employment which prevents connection or interest to any business that competes with the Group; and
- The Group and Mr McFadzean may terminate this agreement at any point in time with no minimum notice period.

#### *David Kelly (Appointed 27 June 2019)*

##### *Managing Director – Service Agreement commencing 1 July 2021*

- Fixed remuneration of \$323,568, inclusive of any statutory superannuation obligations;
- Provision of other non-cash benefits, including a company vehicle (or allowance) and parking
- Entitlement to participate in any short or long-term incentive plans
- A restraint and non-compete period of 12 months following cessation of employment with the Group which prevents Mr Kelly from soliciting group employees or business relationships;
- The Group and Mr Kelly may terminate the agreement at any time by giving the other party 6 months notice, or the Group making payment in lieu of notice for all or part of this notice period; and
- Termination can be made at any point with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law.

Prior to execution of the above outlined Service Agreement, Mr Kelly's remuneration was determined at the discretion of Directors in their capacity as Management at the time, and not documented by any formal employment arrangement.

#### *Gregory Patching (Appointed 27 June 2019)*

##### *Executive Director – Service Agreement commencing 1 July 2021*

- Fixed remuneration of \$303,568, inclusive of any statutory superannuation obligations;
- Provision of other non-cash benefits, including a company vehicle (or allowance) and parking
- Entitlement to participate in any short or long-term incentive plans
- A restraint and non-compete period of 12 months following cessation of employment with the Group which prevents Mr Patching from soliciting group employees or business relationships;
- The Group and Mr Patching may terminate the agreement at any time by giving the other party 6 months notice, or the Group making payment in lieu of notice for all or part of this notice period; and
- Termination can be made at any point with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law.

Prior to execution of the above outlined Service Agreement, Mr Patching's remuneration was determined at the discretion of Directors in their capacity as Management at the time, and not documented by any formal employment arrangement.

#### *Alexandra Atkins (Appointed 9 April 2021)*

##### *Non-Executive Director*

- A cash salary of \$45,000 per annum, inclusive of any statutory superannuation obligations;
- A restraint period of 6 months following cease of employment which prevents connection or interest to any business that competes with the Group; and
- The Group and Ms Atkins may terminate this agreement at any point in time with no minimum notice period.

*Mark Hunter (Appointed 27 April 2021)*

*Chief Financial Officer*

- Fixed remuneration of \$253,000, inclusive of any statutory superannuation obligations;
- Entitlement to participate in any short or long-term incentive plans
- A restraint and non-compete period of 12 months following cessation of employment with the Group which prevents Mr Hunter from soliciting group employees or business relationships;
- The Group and Mr Hunter may terminate the agreement at any time by giving the other party 3 months notice, or the Group making payment in lieu of notice for all or part of this notice period; and
- Termination can be made at any point with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law.

**AQUIRIAN LIMITED AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**C. Details of key management personnel remuneration**

Details of the remuneration of the Directors and key management personnel of the Group for the year ended 30 June 2021 and period ended 30 June 2020 are set out in the following table.

|                                 | Short-Term  |            |                             |                      | Post-employment |                     | Long-term       | Share-based payments | TOTAL   | Total performance related | Options as % of total |
|---------------------------------|-------------|------------|-----------------------------|----------------------|-----------------|---------------------|-----------------|----------------------|---------|---------------------------|-----------------------|
|                                 | Salary fees | Cash bonus | Non-monetary <sup>(3)</sup> | Other <sup>(3)</sup> | Super-annuation | Retirement benefits | Incentive plans | Options              |         |                           |                       |
|                                 | \$          | \$         | \$                          | \$                   | \$              | \$                  | \$              | \$                   | \$      | %                         | %                     |
| <b>2021</b>                     |             |            |                             |                      |                 |                     |                 |                      |         |                           |                       |
| <b>Directors</b>                |             |            |                             |                      |                 |                     |                 |                      |         |                           |                       |
| Bruce McFadzean <sup>(1)</sup>  | 8,371       | -          | -                           | -                    | 795             | -                   | -               | -                    | 9,166   | -                         | -                     |
| David Kelly                     | 268,000     | -          | -                           | 30,396               | 29,260          | -                   | -               | -                    | 327,656 | -                         | -                     |
| Gregory Patching                | 268,000     | -          | 30,396                      | -                    | 29,260          | -                   | -               | -                    | 327,656 | -                         | -                     |
| Alexandra Atkins <sup>(1)</sup> | 6,849       | -          | -                           | -                    | 651             | -                   | -               | -                    | 7,500   | -                         | -                     |
| <b>Executives</b>               |             |            |                             |                      |                 |                     |                 |                      |         |                           |                       |
| Mark Hunter <sup>(2)</sup>      | 38,551      | -          | -                           | -                    | 3,616           | -                   | -               | -                    | 42,167  | -                         | -                     |
|                                 | 589,771     | -          | 30,396                      | 30,396               | 63,582          | -                   | -               | -                    | 714,145 | -                         | -                     |
| <b>2020</b>                     |             |            |                             |                      |                 |                     |                 |                      |         |                           |                       |
| <b>Directors</b>                |             |            |                             |                      |                 |                     |                 |                      |         |                           |                       |
| David Kelly                     | 200,000     | 60,000     | 30,396                      | -                    | 30,400          | -                   | -               | -                    | 320,796 | 19%                       | -                     |
| Gregory Patching                | 200,000     | 60,000     | 30,396                      | -                    | 34,200          | -                   | -               | -                    | 324,596 | 19%                       | -                     |
|                                 | 400,000     | 120,000    | 60,792                      | -                    | 64,600          | -                   | -               | -                    | 645,392 | 19%                       | -                     |

(1) Appointed 9 April 2021

(2) Appointed 27 April 2021

(3) Short-term benefits received relating to vehicle and/or vehicle allowances

**D. Key management personnel's share-based compensation**

There were no shares, options or other share-based compensation arrangements with key management personnel during the year ended 30 June 2021 (2020: \$NIL). Subsequent to year end, Non-Executive Directors were granted options in the Group in order to align their personal interests with shareholders. Refer to the Directors' Report for further information pertaining to the number of options issued and held by key management personnel subsequent to year end.

No shares were issued upon exercise of these options during the year.

**E. Key management personnel's equity holdings**

**(a) Number of options held by key management personnel**

As at 30 June 2021, there were no options held by key management personnel, their close family members or their related entities.

**(b) Number of shares held by key management personnel (consolidated)**

| <b>2021</b>             | <b>Balance<br/>1/07/2020</b> | <b>Received as<br/>Remuneration</b> | <b>Received<br/>on the<br/>exercise of<br/>options</b> | <b>Other<br/>changes<br/>(net)</b> | <b>Total<br/>balance<br/>at<br/>30/06/2021</b> | <b>Number<br/>held<br/>nominally<br/>at<br/>30/6/2021</b> |
|-------------------------|------------------------------|-------------------------------------|--------------------------------------------------------|------------------------------------|------------------------------------------------|-----------------------------------------------------------|
| <b>Directors</b>        |                              |                                     |                                                        |                                    |                                                |                                                           |
| Bruce McFadzean<br>(1)  | -                            | -                                   | -                                                      | -                                  | -                                              | -                                                         |
| David Kelly             | 6,000,000                    | -                                   | -                                                      | -                                  | 6,000,000                                      | 6,000,000                                                 |
| Gregory Patching        | 20,000,000                   | -                                   | -                                                      | -                                  | 20,000,000                                     | 20,000,000                                                |
| Alexandra Atkins<br>(1) | -                            | -                                   | -                                                      | -                                  | -                                              | -                                                         |
| <b>Executives</b>       |                              |                                     |                                                        |                                    |                                                |                                                           |
| Mark Hunter (2)         | -                            | -                                   | -                                                      | -                                  | -                                              | -                                                         |
|                         | 26,000,000                   | -                                   | -                                                      | -                                  | 26,000,000                                     | 26,000,000                                                |

(1) Appointed 9 April 2021

(2) Appointed 27 April 2021

**F. Loans to key management personnel**

No loans were made, guaranteed, or secured, directly or indirectly, by the Group and any of its subsidiaries, in the financial year to key management personnel, their close family members or their related entities during the year.

**G. Other transactions with key management personnel**

During the year, the Group did not enter into any other transactions or arrangements with key management personnel, their close family members or their related entities.

***H. Use of remuneration consultants***

As per the Group's remuneration policy, the board engaged the services of IMS Consulting Pty Ltd for professional advice in establishing the remuneration of the Directors and executives for ahead of its IPO. IMS Consulting Pty Ltd were paid a total of \$9,880 (excl. GST) for these services.

The recommendations from IMS Consulting were accepted by the board for the following roles:

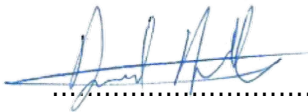
- (i) Managing Director
- (ii) Executive Director
- (iii) Chief Financial Officer

The report provided an analysis of similar executive positions across the relevant industries that the Group operates within. IMS Consulting Pty Ltd formally presented its findings to the Directors and those who were conflicted in approving remuneration abstained from voting.

The Directors are therefore satisfied that the remuneration recommendations made were free from undue influence from key management personnel.

**This concludes the remuneration report, which has been audited.**

Signed in accordance with a resolution of the Directors.



.....  
David Kelly  
Managing Director  
Perth

*27 August 2021*

**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF AQUIRIAN LIMITED**

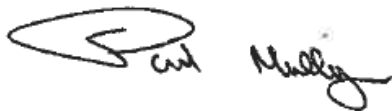
In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Aquirian Limited and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 27 August 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

|                                                                                                          | Notes | 30 June 2021 | Period<br>30 June 2020 |
|----------------------------------------------------------------------------------------------------------|-------|--------------|------------------------|
|                                                                                                          |       | \$           | \$                     |
| <b>Revenue and other income</b>                                                                          |       |              |                        |
| Revenue from contracts with customers                                                                    | 4     | 12,462,652   | 10,460,781             |
| Other income                                                                                             | 5     | 280,078      | 565,578                |
|                                                                                                          |       | 12,742,730   | 11,026,359             |
| <b>Less: expenses</b>                                                                                    |       |              |                        |
| Materials, labour hire and consumables used                                                              | 6     | (7,047,323)  | (6,234,254)            |
| Depreciation and amortisation                                                                            | 6     | (783,855)    | (675,706)              |
| Director fees                                                                                            |       | (15,221)     | -                      |
| Employee benefits expense                                                                                | 6     | (2,604,657)  | (1,828,283)            |
| Listing expenses                                                                                         |       | (411,009)    | -                      |
| Occupancy expenses                                                                                       |       | (89,098)     | (36,933)               |
| Advertising expenses                                                                                     |       | (100,555)    | (88,319)               |
| Finance costs                                                                                            | 6     | (139,878)    | (85,464)               |
| Other expenses                                                                                           | 6     | (732,615)    | (609,609)              |
|                                                                                                          |       | (11,924,211) | (9,558,568)            |
| <b>Profit before income tax expense</b>                                                                  |       | 818,519      | 1,467,791              |
| Income tax expense                                                                                       | 7     | (195,161)    | (293,480)              |
| <b>Net profit after income tax for the year/period<br/>attributable to owners of Aquirian Limited</b>    |       | 623,358      | 1,174,311              |
| <b>Other comprehensive income for the<br/>year/period</b>                                                |       |              |                        |
| Items that may be reclassified subsequently to profit<br>or loss                                         |       | -            | -                      |
| <b>Total comprehensive income for the year/period<br/>attributable to the owners of Aquirian Limited</b> |       | 623,358      | 1,174,311              |
| <b>Basic earnings per share for profit attributable to<br/>owners of Aquirian limited</b>                |       | 0.016        | 0.029                  |
| <b>Diluted earnings per share for profit attributable to<br/>owners of Aquirian limited</b>              |       | 0.016        | 0.029                  |

The accompanying Notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

|                                      | Notes | 30 June 2021     | 30 June 2020     |
|--------------------------------------|-------|------------------|------------------|
|                                      |       | \$               | \$               |
| <b>Current assets</b>                |       |                  |                  |
| Cash and cash equivalents            | 8     | 1,673,655        | 1,774,006        |
| Receivables                          | 9     | 1,607,201        | 680,558          |
| Inventories                          | 10    | 142,343          | 51,099           |
| Other assets                         | 11    | 304,898          | 77,084           |
| <b>Total current assets</b>          |       | <u>3,728,097</u> | <u>2,582,747</u> |
| <b>Non-current assets</b>            |       |                  |                  |
| Deferred tax assets                  | 7     | 101,631          | 167,517          |
| Plant and equipment                  | 12    | 3,158,241        | 1,374,170        |
| Lease assets                         | 13    | 314,574          | 431,457          |
| Intangible assets                    | 14    | 921,752          | 335,421          |
| <b>Total non-current assets</b>      |       | <u>4,496,198</u> | <u>2,308,565</u> |
| <b>Total assets</b>                  |       | <u>8,224,295</u> | <u>4,891,312</u> |
| <b>Current liabilities</b>           |       |                  |                  |
| Current tax liabilities              | 7     | 273,074          | 512,321          |
| Lease liabilities                    | 13    | 111,364          | 109,640          |
| Payables                             | 15    | 2,051,799        | 921,531          |
| Borrowings                           | 16    | 1,066,240        | 434,043          |
| Provisions                           | 17    | 275,015          | 144,266          |
| <b>Total current liabilities</b>     |       | <u>3,777,492</u> | <u>2,121,801</u> |
| <b>Non-current liabilities</b>       |       |                  |                  |
| Lease liabilities                    | 13    | 225,208          | 336,572          |
| Borrowings                           | 16    | 1,805,968        | 640,670          |
| <b>Total non-current liabilities</b> |       | <u>2,031,176</u> | <u>977,242</u>   |
| <b>Total liabilities</b>             |       | <u>5,808,668</u> | <u>3,099,043</u> |
| <b>Net assets</b>                    |       | <u>2,415,627</u> | <u>1,792,269</u> |
| <b>Equity</b>                        |       |                  |                  |
| Share capital                        | 18    | 100              | 100              |
| Retained earnings                    | 20    | 2,415,527        | 1,792,169        |
| <b>Total equity</b>                  |       | <u>2,415,627</u> | <u>1,792,269</u> |

The accompanying Notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|                                                                         | Contributed<br>equity | Reserves  | Retained<br>earnings | Total equity |
|-------------------------------------------------------------------------|-----------------------|-----------|----------------------|--------------|
|                                                                         | \$                    | \$        | \$                   | \$           |
| <b>Balance as at 27 June 2019 (date of incorporation)</b>               |                       |           |                      |              |
| Profit for the period                                                   | -                     | -         | 1,174,311            | 1,174,311    |
| <b>Total comprehensive income for the period</b>                        | -                     | -         | 1,174,311            | 1,174,311    |
| <b>Transactions with owners in their capacity as owners:</b>            |                       |           |                      |              |
| Issue of ordinary shares                                                | 100                   | -         | -                    | 100          |
| Less share issue costs                                                  | -                     | -         | -                    | -            |
| Reserve recognised as part of a common control transaction              | -                     | 617,858   | -                    | 617,858      |
| Less reserve amounts transferred to retained earnings during the period | -                     | (617,858) | 617,858              | -            |
| <b>Total transactions with owners in their capacity as owners</b>       | 100                   | -         | 617,858              | 617,958      |
| <b>Balance as at 1 July 2020</b>                                        | 100                   | -         | 1,792,169            | 1,792,269    |
| Profit for the year                                                     |                       |           | 623,358              | 623,358      |
| <b>Total comprehensive income for the year</b>                          | -                     | -         | 623,358              | 623,358      |
| <b>Total transactions with owners in their capacity as owners</b>       | -                     | -         | -                    | -            |
| <b>Balance as at 30 June 2021</b>                                       | 100                   | -         | 2,415,527            | 2,415,627    |

The accompanying Notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|                                                               | Notes | 30 June 2021<br>\$ | Period<br>30 June 2020<br>\$ |
|---------------------------------------------------------------|-------|--------------------|------------------------------|
| <b>Cash flow from operating activities</b>                    |       |                    |                              |
| Receipts from customers                                       |       | 13,322,917         | 12,072,780                   |
| Payments to suppliers and employees                           |       | (11,567,425)       | (10,639,621)                 |
| Interest received                                             |       | 71                 | 928                          |
| Finance costs                                                 |       | (126,035)          | (67,606)                     |
| Income tax paid                                               |       | (368,522)          | (233,074)                    |
| Finance costs - lease liabilities                             |       | (13,843)           | (17,858)                     |
| <b>Net cash provided by operating activities</b>              | 22a   | 1,247,163          | 1,115,549                    |
| <b>Cash flow from investing activities</b>                    |       |                    |                              |
| Proceeds from sale of plant and equipment                     |       | 280,592            | 543,500                      |
| Payments for plant and equipment                              |       | (738,146)          | (224,387)                    |
| Payment for intangibles assets                                |       | (43,605)           | (115,090)                    |
| Acquisition of Modular Training Pty Ltd, net of cash acquired |       | -                  | (146,170)                    |
| Acquisition of Maglok Australia                               | 23    | (690,000)          | -                            |
| <b>Net cash (used in)/provided by investing activities</b>    |       | (1,191,159)        | 57,853                       |
| <b>Cash flow from financing activities</b>                    |       |                    |                              |
| Repayment of borrowings                                       |       | (546,715)          | (599,986)                    |
| Proceeds received from borrowings                             |       | 500,000            | -                            |
| Principal portion of lease payments                           |       | (109,640)          | (110,326)                    |
| <b>Net cash used in financing activities</b>                  |       | (156,355)          | (710,312)                    |
| <b>Reconciliation of cash</b>                                 |       |                    |                              |
| Cash at beginning of the period                               |       | 1,774,006          | 1,310,916                    |
| Net (decrease)/increase in cash held                          |       | (100,351)          | 463,090                      |
| <b>Cash at end of period</b>                                  |       | 1,673,655          | 1,774,006                    |

The accompanying Notes form part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2021**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES**

The following are the significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **(a) Basis of preparation of the financial report**

This financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act* 2001 and Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report covers Aquirian Limited and its controlled entities (the "group"). Aquirian Limited is a company limited by shares, incorporated, and domiciled in Australia. The address of Aquirian Limited's registered office and principal place of business is Level 3, 190 St Georges Terrace, Perth. Aquirian Limited is a for-profit entity for the purpose of preparing the financial report.

The financial report was approved by the Directors as at the date of the Directors' report.

#### *Compliance with IFRS*

The financial report also complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

#### *Historical cost convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

#### *Fair value measurement*

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

#### *Significant accounting estimates and judgements*

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the consolidated financial statements.

#### **(b) New and revised accounting standards effective at 30 June 2021**

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2020, including the following:

**AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business**

AASB 2018-6 amends AASB 3 *Business Combinations* to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments:

- (a) clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- (b) remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs;
- (c) add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- (d) narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and
- (e) add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The application of AASB 2018-6 has not materially impacted the financial statements of the Group.

**AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material**

AASB 2018-7 principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

The application of AASB 2018-7 has not materially impacted the financial statements of the Group.

**AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia**

AASB 2019-5 makes amendments to AASB 1054 *Australian Additional Disclosures* by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information required by paragraph 30 of AASB 108 (regarding disclosing the effect of new standards not yet issued) to IFRS Standards that have not yet been issued by the Australian Accounting Standards Board.

The application of AASB 2019-5 has not materially impacted the financial statements of the Group.

**(c) Accounting standards issued but not yet effective**

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

**AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture. The main amendments relate to:**

- (a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- (b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;
- (c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;

- (d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- (e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and
- (f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

***AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.***

AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Group in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

***AASB 2020-2 amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements. The main amendments relate to:***

- (a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- (b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;
- (c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;
- (d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and
- (e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

#### **(d) Going concern**

The financial report has been prepared on a going concern basis. On 27 July 2021, Aquirian Limited successful listed on the Australian Securities Exchange. In accordance with the prospectus, the Group issued 40,000,000 shares at \$0.20 per share to raise \$8,000,000 (before costs).

**(e) Borrowing costs**

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

**(f) Business combinations**

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition-date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is measured at its acquisition-date fair value.

Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in the case of a step acquisition); over (b) the net fair value of the identifiable assets acquired, and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in profit or loss.

Acquisition related costs are expensed as incurred.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(h) Comparative information**

The comparative information presented is for the period from the date of incorporation (27 June 2019) to 30 June 2020. Accordingly, amounts presented in this financial report may not be entirely comparable.

**(i) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled.

The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

*(ii) Other long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and

annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high-quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(iii) Share-based payments

The Group operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(iv) Bonus plan

The Group recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

**(j) Financial instruments**

*Initial recognition and measurement*

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

*Classification of financial assets*

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9 *Financial Instruments* ("AASB 9").

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the Group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

#### *Classification of financial liabilities*

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

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

#### *Trade and other receivables*

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30-45 days.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

#### *Impairment of financial assets*

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The Group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The Group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the Group to have a strong financial position and no history of past due amounts from previous transactions with the Group.

The Group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 90 days past due.

The Group determines expected credit losses with reference to its historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The Group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the Group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the Group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the Group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is

typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

#### **(k) Foreign currency transactions and balances**

Functional and presentation currency

The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

Transactions and Balances

Transactions undertaken in foreign currencies are recognised in the Group's functional currency, using the spot rate at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

#### **(l) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. 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 in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(m) Government grants**

Government grants are recognised when there is reasonable certainty that the grant will be received, and all grant conditions are met.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which depreciation expense on those assets is recognised.

#### **(n) Impairment of non-financial assets**

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income, to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

#### **(o) Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor 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 deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### **(p) Intangible Assets**

##### **Goodwill**

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in the case of a step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

#### Separately acquired Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

The Group has applied for, and currently holds, a number of patents across jurisdictions. The Group capitalises costs associated with patent design and application. Capitalised patent costs are amortised over a 20 year useful life, in line with the patent exclusivity period.

#### IT software development costs

Costs incurred in developing IT software are initially recognised as an asset and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, IT software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

#### Formation costs

Formation costs are recognised as an expense when incurred.

### **(q) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### **(r) Leases**

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

#### Lease assets

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

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

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

#### Lease liabilities

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

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease

liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

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

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

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

**(s) Other revenue and other income**

Interest revenue is measured in accordance with the effective interest method.

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

**(t) Principles of consolidation**

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter group balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Group and are de recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non controlling interests. Non controlling interests are initially recognised either at fair value or at the non controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition by acquisition basis. Non controlling interests in the results of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income and the statement of financial position respectively.

**(u) Plant and equipment**

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

|                              | <b>2021</b> | <b>2020</b> |
|------------------------------|-------------|-------------|
| Plant and equipment at cost: | 10% – 50%   | 15% – 50%   |

**(v) Provisions**

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**(w) Revenue from contracts with customers**

The Group derives revenue from the manufacturing, sale and rental of mining equipment. Revenue is also derived labour hire services and educational training.

**Sale of goods**

Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

**Rendering of services**

For rental of mining equipment and provision of labour hire and educational training services, as the customer simultaneously receives and consumes the benefits, the Group has an enforceable right to payment and as such the performance obligation is satisfied over time.

During the period, the Group, as a result of its acquisition of Maglok Australia (refer Note 15), commenced the development, installation, delivery and maintenance of explosives and dangerous substance storage solutions. The Group identifies one performance obligation in its contractual arrangement with customers for such activities. Revenue is recognised using an input method to measure progress towards complete satisfaction of the performance obligation, because the customer simultaneously receives and consumes the benefits provided by the Group.

**Consideration included in the measurement of revenue**

The consideration to be received from customers may include fixed amounts, variable amounts, or both. Where the contract includes a right to variable consideration, the Group estimates the amount of variable consideration using the most likely amount approach on a contract-by-contract basis. Variable consideration is included in the measurement of revenue only to the extent that it is highly probable, based on historical experience, that a significant reversal of the cumulative amount recognised will not occur when the uncertainty associated with the variability is subsequently resolved.

**Receivables from contracts with customers**

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

**Contract assets and liabilities**

AASB 15 *Revenue from Contracts with Customers* uses the terms "contract asset" and "contract liability" to describe what is commonly known as "accrued revenue" and "deferred revenue." Accrued revenue arises where work has been performed however is yet to be invoiced. Deferred revenue arises where payment is received prior to work being performed and is allocated to the performance obligations within the contract and recognised on satisfaction of the performance obligation.

**(x) Rounding of amounts**

The Group have applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the Directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

**(a) Impairment of goodwill**

Goodwill is allocated to a cash generating unit or units (CGU's) according to management's expectations regarding which assets will be expected to benefit from the synergies arising from the business combination that gave rise to the goodwill. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a minimum period of 1 year (maximum of five years). Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 1.5% (2020: 2.0%) for cash flows in year two to five and which is based on the historical average and a terminal value growth rate of 1.5% (2020: 2.0%) a discount rate of 5.0% (2020: 10.0%) to determine value-in-use.

**(b) Impairment of non-financial assets other than goodwill**

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment and future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

**(c) Income tax**

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

### **NOTE 3: FINANCIAL RISK MANAGEMENT**

The Group is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

The board of Directors has overall responsibility for identifying and managing operational and financial risks. The Group holds the following financial instruments:

|                              | <b>2021</b>      | <b>2020</b>      |
|------------------------------|------------------|------------------|
|                              | <b>\$</b>        | <b>\$</b>        |
| <b>Financial assets</b>      |                  |                  |
| <u>Amortised cost:</u>       |                  |                  |
| - Cash and cash equivalents  | 1,673,955        | 1,774,306        |
| - Receivables                | 1,828,535        | 680,558          |
|                              | <u>3,502,490</u> | <u>2,454,864</u> |
| <b>Financial liabilities</b> |                  |                  |
| <u>Amortised cost:</u>       |                  |                  |
| - Payables                   | 1,914,162        | 497,086          |
| - Lease liabilities          | 336,572          | 446,212          |
| - Borrowings                 | 2,872,208        | 1,074,713        |
|                              | <u>3,208,780</u> | <u>1,520,925</u> |

#### **(a) Currency risk**

The Group undertakes transactions denominated in foreign currencies. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group manages its currency risk by transacting in AUD (where possible). Where amounts are received in foreign currencies, namely USD, a portion of receipts are maintained in USD and utilised for payment of USD denominated invoices.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the reporting date are:

|                                  | <b>Monetary assets</b> |               | <b>Monetary liabilities</b> |               |
|----------------------------------|------------------------|---------------|-----------------------------|---------------|
|                                  | <b>2021</b>            | <b>2020</b>   | <b>2021</b>                 | <b>2020</b>   |
|                                  | <b>AUD \$</b>          | <b>AUD \$</b> | <b>AUD \$</b>               | <b>AUD \$</b> |
| United States Dollar denominated | 234,903                | 660,735       | 84,410                      | -             |

|                                    | <b>2021</b> | <b>2020</b> |
|------------------------------------|-------------|-------------|
|                                    | <b>\$</b>   | <b>\$</b>   |
| +/- 10% movement in exchange rates |             |             |
| Impact on profit after tax         | 31,931      | 66,074      |
| Impact on equity                   | (31,931)    | (66,074)    |

**(b) Interest rate risk**

The Group is exposed to interest rate risk in relation to its borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group manages its interest rate risk by maintaining a mix of variable rate and fixed rate borrowings, and by utilising interest rate swap contracts.

The financial instruments which primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents. The Group manages its exposure to changes in interest rates on borrowings by using a mix of fixed and floating rate debt. The Group is exposed to movements in market interest rates on short term deposits. The Directors monitor the Group's cash position relative to expected cash requirements. Where appropriate, surplus funds are placed on deposit earning higher interest. The Group also maintains a mixture of short and long-term debt.

The following table outlines the Group's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities:

| <b>Financial instruments</b>      | <b>Interest bearing</b> | <b>Non-interest bearing</b> | <b>Total carrying amount</b> | <b>Weighted average effective interest rate</b> | <b>Fixed / variable rate</b> |
|-----------------------------------|-------------------------|-----------------------------|------------------------------|-------------------------------------------------|------------------------------|
| <b>30-Jun-21</b>                  | <b>\$</b>               | <b>\$</b>                   | <b>\$</b>                    | <b>%</b>                                        |                              |
| <i>(i) Financial assets</i>       |                         |                             |                              |                                                 |                              |
| Cash                              | -                       | 1,673,955                   | 1,673,955                    | -                                               | -                            |
| Total financial assets            | -                       | 1,673,955                   | 1,673,955                    |                                                 |                              |
| <i>(ii) Financial liabilities</i> |                         |                             |                              |                                                 |                              |
| Bank borrowings (fixed)           | 2,438,972               | -                           | 2,438,972                    | 3.0%                                            | Fixed                        |
| Bank borrowings (variable)        | 433,336                 | -                           | 433,336                      | 4.5%                                            | Variable                     |
| Lease liabilities                 | 336,572                 | -                           | 336,572                      | 3.6%                                            | Fixed                        |
| Total financial liabilities       | 3,208,780               | -                           | 3,208,780                    |                                                 |                              |
| <b>30-Jun-20</b>                  |                         |                             |                              |                                                 |                              |
| <i>(i) Financial assets</i>       |                         |                             |                              |                                                 |                              |
| Cash                              | 21,032                  | 1,753,274                   | 1,774,306                    |                                                 |                              |
| Total financial assets            | 21,032                  | 1,753,274                   | 1,774,306                    |                                                 |                              |
| <i>(ii) Financial liabilities</i> |                         |                             |                              |                                                 |                              |
| Bank borrowings                   | 1,074,713               | -                           | 1,074,713                    | 4.7%                                            | Fixed                        |
| Lease liabilities                 | 446,212                 | -                           | 446,212                      | 3.6%                                            | Fixed                        |
| Total financial liabilities       | 1,520,925               | -                           | 1,520,925                    |                                                 |                              |

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

If variable interest rates were to increase/decrease by 50 basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact on profit for the year and equity would be as follows:

|                            | <b>2021</b> | <b>2020</b> |
|----------------------------|-------------|-------------|
|                            | <b>\$</b>   | <b>\$</b>   |
| +/- 50 basis points        |             |             |
| Impact on profit after tax | 401         | -           |
| Impact on equity           | (401)       | -           |

**(c) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the counterparty by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date of recognised financial assets is the carrying amount of those assets, net of any allowance for credit losses, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

The Group does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the Group.

i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with a major Australian bank of at least AA credit rating.

ii) Receivables from contracts with customers

Credit risk for receivables from contracts with customers is managed by transacting with a large number of customers, undertaking credit checks for all new customers and managing customer service supply commensurate with their assessed credit risk. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

**(d) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Well established cash flow management processes and liquidity risk management are established for the consolidated entity to maintain sufficient liquidity (mainly cash and cash equivalents) to pay debts as and when they become due and payable.

The following table outlines the Group's remaining contractual maturities for non-derivative financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Group can be required to pay.

|                   | <b>0-12<br/>months</b> | <b>1-5<br/>years</b> | <b>Total<br/>contractual<br/>cash flows</b> | <b>Carrying<br/>amount</b> |
|-------------------|------------------------|----------------------|---------------------------------------------|----------------------------|
| <b>30-Jun-21</b>  | <b>\$</b>              | <b>\$</b>            | <b>\$</b>                                   | <b>\$</b>                  |
| Payables          | 1,914,162              | -                    | 1,914,162                                   | 1,914,162                  |
| Bank borrowings   | 1,066,240              | 1,805,968            | 2,872,208                                   | 2,872,208                  |
| Lease liabilities | 111,364                | 225,208              | 336,572                                     | 336,572                    |
|                   | <u>3,091,766</u>       | <u>2,031,176</u>     | <u>5,122,942</u>                            | <u>5,122,942</u>           |
| <b>30-Jun-20</b>  |                        |                      |                                             |                            |
| Payables          | 497,086                | -                    | 497,086                                     | 497,086                    |
| Bank borrowings   | 434,043                | 640,670              | 1,074,713                                   | 1,074,713                  |
| Lease liabilities | 109,640                | 336,572              | 446,212                                     | 446,212                    |
|                   | <u>1,040,769</u>       | <u>977,242</u>       | <u>2,018,011</u>                            | <u>2,018,011</u>           |

**(e) Fair value compared with carrying amounts**

The carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value as at the reporting date, given borrowing arrangements are at market rates and/or their short-term basis to maturity.

**NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS**

|                                                                         | <b>2021</b>       | <b>2020</b>       |
|-------------------------------------------------------------------------|-------------------|-------------------|
|                                                                         | <b>\$</b>         | <b>\$</b>         |
| <b>Revenue from contracts with customers from continuing operations</b> |                   |                   |
| Revenue recognised at a point in time                                   | 3,774,749         | 3,380,951         |
| Revenue recognised over time                                            | 8,687,903         | 7,079,830         |
|                                                                         | <u>12,462,652</u> | <u>10,460,781</u> |

Revenue from contracts with customers is disclosed in the segment note as follows:

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| Mining Services | 5,882,782         | 3,380,951         |
| People Services | 6,579,870         | 7,079,830         |
|                 | <u>12,462,652</u> | <u>10,460,781</u> |

The aggregate amount of transaction prices (deferred revenue) allocated to remaining performance obligations, at the reporting date, is as follows:

|                 |                |          |
|-----------------|----------------|----------|
| Mining Services | <u>178,477</u> | <u>-</u> |
|-----------------|----------------|----------|

The aggregate amount of transaction prices (deferred revenue) allocated to remaining performance obligations, at the reporting date (as disclosed above), is expected to be recognised as revenue within 6 months of the reporting date. This amount is currently recognised within trade and other payables (Note 15) at year end.

**NOTE 5: OTHER INCOME**

|                                                                  | <b>2021</b>    | <b>2020</b>    |
|------------------------------------------------------------------|----------------|----------------|
|                                                                  | <b>\$</b>      | <b>\$</b>      |
| <b>Other revenue and other income from continuing operations</b> |                |                |
| <i>Other income</i>                                              |                |                |
| Net gain on disposal of property, plant & equipment              | 674            | 249,515        |
| Government grants received – COVID-19 Incentives                 | 270,268        | 271,283        |
| Foreign exchange gains                                           | 9,065          | 43,852         |
| Interest received                                                | 71             | 928            |
|                                                                  | <u>280,078</u> | <u>565,578</u> |

**NOTE 6: PROFIT FROM CONTINUING OPERATIONS**

|                                                                                                                       | <b>2021</b>      | <b>2020</b>      |
|-----------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                       | <b>\$</b>        | <b>\$</b>        |
| <b>Profit from continuing operations before income tax has been determined after the following specific expenses:</b> |                  |                  |
| <i>Materials, labour hire and consumables used</i>                                                                    |                  |                  |
| Hire of equipment                                                                                                     | 164,804          | 236,469          |
| Repairs and maintenance on equipment rented to customers                                                              | 310,953          | 209,661          |
| Labour hire personnel                                                                                                 | 4,805,897        | 5,279,054        |
| Raw materials and consumables used                                                                                    | 1,392,047        | 295,291          |
| Other material and labour hire expenses                                                                               | 373,622          | 213,779          |
|                                                                                                                       | <u>7,047,323</u> | <u>6,234,254</u> |
| <i>Employee benefits expense</i>                                                                                      |                  |                  |
| Salaries and wages                                                                                                    | 2,125,740        | 1,543,556        |
| Superannuation guarantee contributions                                                                                | 211,599          | 157,257          |
| Other employee benefits                                                                                               | 267,318          | 127,470          |
|                                                                                                                       | <u>2,604,657</u> | <u>1,828,283</u> |
| <i>Depreciation of non-current assets</i>                                                                             |                  |                  |
| Plant and equipment                                                                                                   | <u>665,917</u>   | <u>547,030</u>   |
| <i>Amortisation of non-current assets</i>                                                                             |                  |                  |
| Trademark and licences                                                                                                | <u>1,055</u>     | <u>3,595</u>     |
| <i>Finance costs expensed</i>                                                                                         |                  |                  |
| Financial liabilities measured at amortised cost:                                                                     |                  |                  |
| - Bank borrowings                                                                                                     | 126,035          | 67,606           |
| - Lease liabilities                                                                                                   | 13,843           | 17,858           |
|                                                                                                                       | <u>139,878</u>   | <u>85,464</u>    |
| <i>Other expenses</i>                                                                                                 |                  |                  |
| Lease depreciation (excluding finance costs on lease liabilities)                                                     | <u>116,883</u>   | <u>125,081</u>   |

**NOTE 7: INCOME TAX**

**(a) Components of tax expense:**

|                                       | <b>2021</b>    | <b>2020</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>\$</b>      | <b>\$</b>      |
| Current tax                           | 131,361        | 364,462        |
| Deferred tax                          | 60,826         | (74,375)       |
| Revaluation of Deferred tax position  | 9,372          |                |
| Under/(over) provision in prior years | (6,398)        | 3,393          |
|                                       | <u>195,161</u> | <u>293,480</u> |

**(b) Income tax reconciliation**

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

|                                                                                 |                |                |
|---------------------------------------------------------------------------------|----------------|----------------|
| Prima facie income tax payable on profit before income tax at 26% (2020: 27.5%) | 212,815        | 403,643        |
| Add tax effect of:                                                              |                |                |
| - other non-allowable items                                                     | 8,965          | 8,133          |
| Under provision for income tax in prior year                                    | 2,974          | -              |
|                                                                                 | <u>11,939</u>  | <u>8,133</u>   |
| Less tax effect of:                                                             |                |                |
| - dividend income                                                               |                |                |
| - other non-assessable items                                                    | 29,593         | -              |
| - recognise carry forward losses on acquisition                                 | -              | 52,983         |
| Over provision for income tax in prior years                                    | -              | 65,313         |
|                                                                                 | <u>29,593</u>  | <u>118,296</u> |
| Income tax expense attributable to profit                                       | <u>195,161</u> | <u>293,480</u> |

**(c) Current tax**

Current tax relates to the following:

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Current tax liabilities / (assets) |                |                |
| Opening balance                    | 512,321        | 377,540        |
| Income tax                         | 131,361        | 364,462        |
| Tax payments                       | (368,522)      | (229,681)      |
| Under / (over) provisions          | (2,086)        | -              |
| Current tax liabilities / (assets) | <u>273,074</u> | <u>512,321</u> |

**(d) Deferred tax**

Deferred tax relates to the following:

*Deferred tax assets*

The balance comprises:

|                                         |                |                |
|-----------------------------------------|----------------|----------------|
| Tax losses carried forward              | 47,609         | 56,252         |
| Employee benefits                       | 82,150         | 39,673         |
| Business related costs                  | 83,839         | 1,773          |
| Accruals                                | 53,031         | 53,805         |
| Plant & Equipment                       | -              | 34,520         |
| Property, plant & Equipment under lease | 5,719          | 4,057          |
|                                         | <u>272,348</u> | <u>190,080</u> |

*Deferred tax liabilities*

The balance comprises:

|                   |                |               |
|-------------------|----------------|---------------|
| Accrued revenue   | 11,427         | 21,923        |
| Prepayments       | 60,840         | 640           |
| Plant & Equipment | 98,450         | -             |
|                   | <u>170,717</u> | <u>22,563</u> |

*Net deferred tax assets/(liabilities)*

|  |                |                |
|--|----------------|----------------|
|  | <u>101,631</u> | <u>167,517</u> |
|--|----------------|----------------|

**AQUIRIAN LIMITED AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**(e) Deferred income tax (revenue)/expense included in income tax expense**

|                                                                |               |                 |
|----------------------------------------------------------------|---------------|-----------------|
| Decrease / (increase) in deferred tax assets                   | (58,169)      | (179,574)       |
| Revaluation of deferred tax position due to change in tax rate | 9,372         | -               |
| (Decrease) / increase in deferred tax liabilities              | 118,995       | 105,199         |
|                                                                | <u>70,198</u> | <u>(74,375)</u> |

**(f) Changes in applicable tax rate(s)**

During the 30 June 2021 year, the applicable tax rate of the Group changed from 27.5% to 26%, in line with Government legislation. As disclosed above this change impacted the amount recognised by the Group for deferred tax assets brought to account.

**NOTE 8: CASH AND CASH EQUIVALENTS**

|                          | <b>2021</b>      | <b>2020</b>      |
|--------------------------|------------------|------------------|
|                          | <b>\$</b>        | <b>\$</b>        |
| Cash at bank and on hand | 1,673,655        | 1,753,274        |
| Deposits at call         | -                | 21,032           |
|                          | <u>1,673,655</u> | <u>1,774,306</u> |

**NOTE 9: RECEIVABLES**

|                                           | <b>2021</b>      | <b>2020</b>    |
|-------------------------------------------|------------------|----------------|
|                                           | <b>\$</b>        | <b>\$</b>      |
| <b>CURRENT</b>                            |                  |                |
| Receivables from contracts with customers | 1,501,870        | 653,256        |
| Allowance for credit losses               | -                | -              |
|                                           | <u>1,501,870</u> | <u>653,256</u> |
| Other receivables                         | 105,331          | 27,302         |
|                                           | <u>1,607,201</u> | <u>680,558</u> |
| <b>NON-CURRENT</b>                        |                  |                |
| Allowance for credit losses               | -                | -              |
|                                           | <u>-</u>         | <u>-</u>       |

Receivables from contracts with customers

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Invoicing of customers generally occurs on a monthly basis. Outstanding invoices are due for payment within 30 days of the invoice date.

Impairment of receivables from contracts with customers, lease receivables and other receivables

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

Receivables written off during the year

The gross carrying amount of a receivable balance is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the outstanding balance. The receivable written off remains subject to enforcement action by the Group.

No contractual amount outstanding on receivables were written off during the year (2020 period: \$NIL).

**NOTE 10: INVENTORIES**

|                          | <b>2021</b>    | <b>2020</b>   |
|--------------------------|----------------|---------------|
|                          | <b>\$</b>      | <b>\$</b>     |
| CURRENT                  |                |               |
| Finished goods - at cost | 142,343        | 51,099        |
| Total inventories        | <u>142,343</u> | <u>51,099</u> |

**NOTE 11: OTHER CURRENT ASSETS**

|                    | <b>2021</b>    | <b>2020</b>   |
|--------------------|----------------|---------------|
|                    | <b>\$</b>      | <b>\$</b>     |
| Prepayments        | 230,702        | 8,084         |
| Bonds and deposits | 12,400         | 2,400         |
| Contract assets    | 61,796         | 66,600        |
|                    | <u>304,898</u> | <u>77,084</u> |

A contract asset represents the Group's right to consideration (not being an unconditional right recognised as a receivable) in exchange for goods or services transferred to the customer. Contract assets are measured at the amount of consideration that the Group expects to be entitled in exchange for goods or services transferred to the customer. Contract assets arise in relation to labour hire services, when performed in advance of invoicing the customer. Amounts included in the balance of contract assets are reclassified to receivables at the time of invoicing the customer, which generally occurs on a monthly basis. Outstanding invoices are due for payment within 30 days of the invoice date.

Impairment of contract assets

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

**NOTE 12: PROPERTY PLANT AND EQUIPMENT**

|                                     | <b>2021</b>      | <b>2020</b>      |
|-------------------------------------|------------------|------------------|
|                                     | <b>\$</b>        | <b>\$</b>        |
| <i>Plant &amp; equipment</i>        |                  |                  |
| At cost                             | 3,799,313        | 2,171,364        |
| Accumulated depreciation            | (1,411,104)      | (797,194)        |
|                                     | <u>2,388,209</u> | <u>1,374,170</u> |
| <i>Assets under construction</i>    |                  |                  |
| At cost                             | <u>770,032</u>   | <u>-</u>         |
| Total property, plant and equipment | <u>3,158,241</u> | <u>1,374,170</u> |

Assets under construction pertains to equipment that is currently undergoing pre-commissioning and not held ready for use.

|                                                                                                                                        | <b>2021</b>      | <b>2020</b>      |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                        | <b>\$</b>        | <b>\$</b>        |
| <b>Reconciliations</b>                                                                                                                 |                  |                  |
| Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year/period |                  |                  |
| <i>Plant &amp; equipment</i>                                                                                                           |                  |                  |
| Carrying amount at beginning of year/period                                                                                            | 1,374,170        | -                |
| Additions through common control transaction                                                                                           | -                | 1,447,285        |
| Additions                                                                                                                              | 1,812,323        | 666,373          |
| Disposals                                                                                                                              | (279,918)        | (293,913)        |
| Additions through business combinations                                                                                                | 147,550          | 45,455           |
| Transfers from assets under construction                                                                                               | -                | 56,000           |
| Depreciation expense                                                                                                                   | (665,917)        | (547,030)        |
| Carrying amount end of year/period                                                                                                     | <u>2,388,209</u> | <u>1,374,170</u> |
| <i>Assets under construction</i>                                                                                                       |                  |                  |
| Carrying amount at beginning of year/period                                                                                            | -                | -                |
| Additions through common control transaction                                                                                           | -                | 56,000           |
| Additions                                                                                                                              | 770,032          | -                |
| Transfers between classes                                                                                                              | -                | (56,000)         |
| Carrying amount end of year                                                                                                            | <u>770,032</u>   | <u>-</u>         |

**NOTE 13: LEASE ASSETS AND LEASE LIABILITIES**

|                                                                | <b>2021</b>    | <b>2020</b>    |
|----------------------------------------------------------------|----------------|----------------|
|                                                                | <b>\$</b>      | <b>\$</b>      |
| <b>Lease assets</b>                                            |                |                |
| Carrying amount of lease assets, by class of underlying asset: |                |                |
| <i>Buildings under lease arrangements</i>                      |                |                |
| At cost                                                        | 556,538        | 556,538        |
| Accumulated depreciation                                       | (241,964)      | (125,081)      |
| Total carrying amount of lease assets                          | <u>314,574</u> | <u>431,457</u> |

Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year/period:

|                                                      |                       |
|------------------------------------------------------|-----------------------|
|                                                      | <b>Total</b>          |
|                                                      | <b>\$</b>             |
| Carrying amount at 27 June 2019                      | -                     |
| Additions                                            | 556,538               |
| Depreciation                                         | (125,081)             |
| Impairment losses (or reversal of impairment losses) | -                     |
| Carrying amount at 30 June 2020                      | <u>431,457</u>        |
| Additions                                            | -                     |
| Depreciation                                         | (116,883)             |
| Impairment losses (or reversal of impairment losses) | -                     |
| Carrying amount at 30 June 2021                      | <u><u>314,574</u></u> |

|                                            | <b>2021</b>    | <b>2020</b>    |
|--------------------------------------------|----------------|----------------|
|                                            | <b>\$</b>      | <b>\$</b>      |
| <b>Lease liabilities</b>                   |                |                |
| Current lease liabilities                  | 111,364        | 109,640        |
| Non-current lease liabilities              | 225,208        | 336,572        |
| Total carrying amount of lease liabilities | <u>336,572</u> | <u>446,212</u> |

An analysis of the remaining contractual maturities of lease liabilities is disclosed in Note 4(d).

**Lease expenses and cashflows**

|                                                                                                                       |           |           |
|-----------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Interest expense on lease liabilities                                                                                 | 13,843    | 17,858    |
| Expense relating to leases of 12-months or less (for which a lease asset and lease liability has not been recognised) | 77,994    | 36,933    |
| Depreciation expense on lease assets                                                                                  | 116,883   | 125,081   |
| Total cash outflow in relation to leases                                                                              | (123,483) | (128,184) |

**NOTE 14: INTANGIBLE ASSETS**

|                                                   | <b>2021</b>    | <b>2020</b>    |
|---------------------------------------------------|----------------|----------------|
|                                                   | <b>\$</b>      | <b>\$</b>      |
| <i>Goodwill</i>                                   |                |                |
| At cost                                           | 689,951        | 146,170        |
| <i>Reconciliation</i>                             |                |                |
| Carrying amount at beginning of year/period       | 146,170        | -              |
| Additions through business combinations (Note 23) | 543,781        | 146,170        |
| Impairment losses                                 | -              | -              |
| Carrying amount end of year/period                | <u>689,951</u> | <u>146,170</u> |
| <i>Patent and Design Costs</i>                    |                |                |
| At cost                                           | 240,046        | 196,441        |
| Accumulated amortisation                          | <u>(8,245)</u> | <u>(7,190)</u> |
|                                                   | <u>231,801</u> | <u>189,251</u> |
| <i>Reconciliation</i>                             |                |                |
| Carrying amount at beginning of year/period       | 189,251        |                |
| Additions through common control transaction      | -              | 77,756         |
| Additions                                         | 43,605         | 115,090        |
| Amortisation expense                              | <u>(1,055)</u> | <u>(3,595)</u> |
| Carrying amount end of year/period                | <u>231,801</u> | <u>189,251</u> |

Patent and Design Costs are amortised over a useful life of 20 years from their grant date.

**Impairment tests for goodwill and intangible assets with indefinite useful lives**

|                                                                     | <b>2021</b>    | <b>2020</b>    |
|---------------------------------------------------------------------|----------------|----------------|
|                                                                     | <b>\$</b>      | <b>\$</b>      |
| Goodwill is allocated to the following cash generating units (CGU): |                |                |
| - <i>Modular Training</i>                                           | 146,170        | 146,170        |
| - <i>Maglok Australia</i>                                           | <u>543,781</u> | <u>-</u>       |
|                                                                     | <u>689,951</u> | <u>146,170</u> |

The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of 1 year (maximum of five years). Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 1.5% (2020: 3%) for cash flows in year two to five which is based on the historical average, a terminal value growth rate of 1.5% (2020: 1%) and a discount rate of 5% (2020: 10%) to determine value-in-use.

The change in the discount rate applied reflects the change in the cost of debt funding available to the Group.

No reasonable change in the key assumptions of the value in use calculations would result in impairment.

| <b>NOTE 15: PAYABLES</b>              | <b>2021</b>      | <b>2020</b>    |
|---------------------------------------|------------------|----------------|
|                                       | <b>\$</b>        | <b>\$</b>      |
| CURRENT                               |                  |                |
| Trade payables                        | 792,051          | 63,735         |
| Other payables (i)                    | 900,777          | 433,351        |
| Accruals                              | 180,494          | 424,445        |
| Deferred revenue (contract liability) | 178,477          | -              |
|                                       | <u>2,051,799</u> | <u>921,531</u> |

(i) Other payables namely relate to Superannuation, PAYG and GST obligations owing for the June quarter then ended.

| <b>NOTE 16: BORROWINGS</b>                       | <b>2021</b>             | <b>2020</b>             |
|--------------------------------------------------|-------------------------|-------------------------|
|                                                  | <b>\$</b>               | <b>\$</b>               |
| CURRENT                                          |                         |                         |
| <i>Secured by fixed and floating charge:</i>     |                         |                         |
| - Asset finance facilities                       | 966,382                 | 434,043                 |
| - Long-term bank loan                            | 99,858                  | -                       |
| <i>sub-total</i>                                 | <u>1,066,240</u>        | <u>434,043</u>          |
| NON-CURRENT                                      |                         |                         |
| <i>Secured by fixed and floating charge:</i>     |                         |                         |
| - Asset finance facilities                       | 1,472,628               | 640,670                 |
| - Long-term bank loan, net of current maturities | 333,340                 | -                       |
| <i>sub-total</i>                                 | <u>1,805,968</u>        | <u>640,670</u>          |
| <b>TOTAL</b>                                     | <u><b>2,872,208</b></u> | <u><b>1,074,713</b></u> |

#### Asset finance facilities

The asset finance facilities are namely held with a major bank and secured via a registered GSA over the equipment purchased under their relevant agreements. In addition, the Group has also provided a general security agreement to the bank in respect to the Group's existing and future assets.

Asset finance facilities bear fixed interest at an average prevailing market rate of ~3% per annum and are primarily payable over 1 to 5 year terms.

#### Long-term bank loan

The Group secured a long-term bank loan with a major bank in order to fund the acquisition of the Maglok Australia business (Note 23). The loan bears a floating interest rate in line with the business lending rate offered by the major bank, plus a margin of 2.5%. For 30 June 2021, this average of this rate was 4.50% per annum.

As described above, this loan is also secured by a general security agreement over the Group's existing and future assets. The loan is repayable in monthly instalments until its expiry in October 2025.

**NOTE 17: PROVISIONS**

|                   | <b>2021</b> | <b>2020</b> |
|-------------------|-------------|-------------|
|                   | <b>\$</b>   | <b>\$</b>   |
| CURRENT           |             |             |
| Employee benefits | 275,015     | 144,266     |

**Movements in provisions**

*Employee benefits*

|                                                     |         |         |
|-----------------------------------------------------|---------|---------|
| Carrying amount at the beginning of the year/period | 144,266 | -       |
| Assumed as part of a common control transaction     | -       | 111,279 |
| Additional provisions recognised                    | 130,749 | 32,987  |
| Carrying amount at the end of the year/period       | 275,015 | 144,266 |

|                         | <b>2021</b> |                         | <b>2020</b> |
|-------------------------|-------------|-------------------------|-------------|
| <b>No of<br/>Shares</b> | <b>\$</b>   | <b>No of<br/>Shares</b> | <b>\$</b>   |

**NOTE 18: SHARE CAPITAL**

**(a) Issued and paid up capital**

|                            |            |     |         |     |
|----------------------------|------------|-----|---------|-----|
| Ordinary shares fully paid | 40,000,000 | 100 | 100,000 | 100 |
|----------------------------|------------|-----|---------|-----|

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**(b) Movements in shares on issue**

|                                           | <b>No of<br/>Shares</b> | <b>\$</b> |
|-------------------------------------------|-------------------------|-----------|
| Beginning of the period                   | -                       | -         |
| - 30 June 2019 - Issued during the period | 100,000                 | 100       |
| Balance as at 30 June 2020                | 100,000                 | 100       |
| Issued during the year                    |                         |           |
| - 18 March 2021 - Share Split (i)         | 39,900,000              | -         |
| Balance as at 30 June 2021                | 40,000,000              | 100       |

- (i) Ahead of the IPO, the Group carried out a share split where shareholders received 400 shares for each fully paid ordinary share held prior to the resolution being carried.

**(c) Rights of each type of share**

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 gives entitlement to one vote when a poll is called.

**(d) Capital Management**

The Group's objective in managing capital is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

The Group would look to raise capital to accelerate growth initiatives or acquire value accretive M&A providing it was seen as value-adding relative to the Group's current share price at the time of the investment.

There have been no events of default on the financing arrangements during the financial year.

The gearing ratio is calculated as net debt divided by total equity and net debt. Net debt is calculated as 'borrowings' less 'cash and cash equivalents', as shown in the consolidated statement of financial position. Total equity is as shown in the consolidated statement of financial position. At 30 June 2021, the Group was in a net debt position.

Management effectively manages the Group's capital by assessing the Group's financial risk and adjusting its capital structure in response to these risks and in the market.

The Group's gearing ratio at the end of the year/period was as follows:

|                                 | <b>2021</b>      | <b>2020</b>      |
|---------------------------------|------------------|------------------|
|                                 | <b>\$</b>        | <b>\$</b>        |
| Borrowings                      | 2,872,208        | 1,074,713        |
| Less: cash and cash equivalents | 1,673,655        | 1,774,006        |
| Net debt                        | <u>1,198,553</u> | <u>(699,293)</u> |
| <br>Total Equity                | <br>2,415,627    | <br>1,792,269    |
| Total Capital                   | <u>3,614,180</u> | <u>1,092,976</u> |
| <b>Gearing Ratio</b>            | <u>33%</u>       | <u>-</u>         |

#### **NOTE 19: RESERVES**

|               | <b>Notes</b> | <b>2021</b> | <b>2020</b> |
|---------------|--------------|-------------|-------------|
|               |              | <b>\$</b>   | <b>\$</b>   |
| Other reserve | (a)          | <u>-</u>    | <u>-</u>    |

#### **(a) Other reserve**

##### *(i) Nature and purpose of reserve*

On 30 June 2019, Aquirian Limited acquired 100% of the share capital of TBS Mining Solutions Pty Ltd and it's controlled entity at the time, TBS Workforce Pty Ltd ("TBS Group").

The primary reason for the transaction was as part of an internal restructuring of it's operations. 100,000 shares were issued at an issue price of \$0.001 per share to the existing shareholders of the TBS Group, in proportion to their existing ownership holding percentages. Aquirian is ultimately controlled by the same shareholders as that of TBS Group prior to the transfer taking place. This transaction was therefore considered a common control transaction and outside the scope of AASB 3 Business Combinations.

The difference between the cost of Aquirian Limited's investment (\$100) and the net assets of TBS Group as at the date of the transaction (\$617,958) was \$617,858. This amount was recognised within other reserves as at 30 June 2019, before being subsequently transferred to retained earnings during the 30 June 2020 period.

|                                                    | <b>2021</b> | <b>2020</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>\$</b>   | <b>\$</b>   |
| <i>(ii) Movements in reserve</i>                   |             |             |
| Balance at beginning of year/period                | -           | -           |
| Recognised as part of a common control transaction | -           | 617,858     |
| Transfers to retained earnings                     | -           | (617,858)   |
| Balance at end of year/period                      | <u>-</u>    | <u>-</u>    |

**NOTE 20: RETAINED EARNINGS**

|                                                               | <b>2021</b>      | <b>2020</b>      |
|---------------------------------------------------------------|------------------|------------------|
|                                                               | <b>\$</b>        | <b>\$</b>        |
| Balance at beginning of year/period                           | 1,792,169        | -                |
| Transfers from other reserves                                 | -                | 617,858          |
| Net profit attributable to members of <i>Aquirian Limited</i> | 623,358          | 1,174,311        |
| Balance at end of year/period                                 | <u>2,415,527</u> | <u>1,792,169</u> |

**NOTE 21: INTERESTS IN SUBSIDIARIES**

| Subsidiaries of the Group    | Country of incorporation | Ownership interest held by the Group |      |
|------------------------------|--------------------------|--------------------------------------|------|
|                              |                          | 2021                                 | 2020 |
|                              |                          | %                                    | %    |
| TBS Mining Solutions Pty Ltd | Australia                | 100                                  | 100  |
| TBS Workforce Pty Ltd        | Australia                | 100                                  | 100  |
| Modular Training Pty Ltd     | Australia                | 100                                  | 100  |
| SwiftEquip Solutions Pty Ltd | Australia                | 100                                  | 100  |

**NOTE 22: CASH FLOW INFORMATION**

|                                                                                                                                                                        | <b>Notes</b> | <b>2021</b>      | <b>2020</b>      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------|------------------|
|                                                                                                                                                                        |              | <b>\$</b>        | <b>\$</b>        |
| <b>(a) Reconciliation of cash flow from operations with profit after income tax</b>                                                                                    |              |                  |                  |
| Profit from ordinary activities after income tax                                                                                                                       |              | 623,358          | 1,174,311        |
| <b>Non-Cash Items</b>                                                                                                                                                  |              |                  |                  |
| Amortisation                                                                                                                                                           |              | 117,938          | 129,034          |
| Depreciation                                                                                                                                                           |              | 665,917          | 547,030          |
| Net (profit)/loss on disposal of property, plant and equipment                                                                                                         |              | (674)            | (250,008)        |
| <b>Changes in assets and liabilities</b>                                                                                                                               |              |                  |                  |
| (Increase)/decrease in receivables                                                                                                                                     |              | (926,643)        | 250,786          |
| (Increase)/decrease in other assets                                                                                                                                    |              | (227,814)        | 35,720           |
| (Increase)/decrease in inventory                                                                                                                                       |              | (59,123)         | 4,172            |
| (Increase)/decrease in deferred tax assets                                                                                                                             |              | 65,886           |                  |
| (Decrease)/increase in trade and other creditors                                                                                                                       |              | 1,130,268        | (89,937)         |
| (Decrease)/increase in other liabilities                                                                                                                               |              | -                | (778,952)        |
| (Decrease)/increase in income tax payable                                                                                                                              |              | (239,247)        | 60,406           |
| (Decrease)/increase in employee entitlements                                                                                                                           |              | 97,297           | 32,987           |
| Net cash flow from operating activities                                                                                                                                |              | <u>1,247,163</u> | <u>1,115,549</u> |
| <b>(b) Reconciliation of cash</b>                                                                                                                                      |              |                  |                  |
| 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 is as follows: |              |                  |                  |
| Closing cash balance                                                                                                                                                   |              | <u>1,673,655</u> | <u>1,774,006</u> |

## **NOTE 23: BUSINESS COMBINATIONS**

On 2 October 2020, the Group acquired 100% of the business assets of Maglok Australia, a manufacturer and supplier of storage solutions for energetic materials and dangerous goods.

The primary reason for the business combination was to vertically integrate the Group's service offerings within the mining and resources industry, which it sees as synergistic to its existing offerings and aligned to management's prior experience and expertise.

Details of the purchase consideration are set out below:

|                                  | \$             |
|----------------------------------|----------------|
| Cash paid                        | 700,000        |
| Less working capital adjustments |                |
| Contingent consideration         | (10,001)       |
| Total purchase consideration     | <u>689,999</u> |

### **Assets and liabilities acquired**

Assets and liabilities acquired as a result of the business combination were:

|                                  | \$             |
|----------------------------------|----------------|
| Assets and liabilities acquired  |                |
| - Inventories                    | 32,120         |
| - Plant and equipment            | 147,550        |
| - Provisions                     | (33,452)       |
| Net identifiable assets acquired | 146,218        |
| Add: goodwill                    | 543,781        |
| Total purchase consideration     | <u>689,999</u> |

The goodwill on acquisition comprises the operational expertise and industry know-how relating to the Maglok Australia business, as a specialised and industry focused provider of innovative storage solutions for energetic materials and dangerous goods.

Goodwill is not deductible for tax purposes.

The following table provides a reconciliation of the opening and closing balances of goodwill for the reporting period.

|                                     | <b>Recognised<br/>on<br/>acquisition at<br/>fair value<br/>\$</b> |
|-------------------------------------|-------------------------------------------------------------------|
| Gross amount                        | 146,170                                                           |
| Less: accumulated impairment losses | -                                                                 |
| Opening carrying amount             | 146,170                                                           |
| Goodwill acquired during the period | 543,781                                                           |
|                                     | <u>689,951</u>                                                    |

### **Contribution since acquisition**

Since the acquisition date Maglok has contributed profit before tax of \$348,132 (tax is calculated on a consolidated level), which is included within the consolidated profit.

### **Transaction costs**

Transaction costs incurred in relation to the acquisition are included within other expenses in the consolidated statement of profit or loss and other comprehensive income.

**NOTE 24: EARNINGS PER SHARE**

|                                                                                                              | <b>2021</b>   | <b>2020</b>   |
|--------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                              | <b>\$</b>     | <b>\$</b>     |
| Profit used in calculating basic and diluted earnings per share                                              | 623,358       | 1,174,311     |
|                                                                                                              | <b>2021</b>   | <b>2020</b>   |
|                                                                                                              | <b>No of</b>  | <b>No of</b>  |
|                                                                                                              | <b>Shares</b> | <b>Shares</b> |
| Weighted average number of ordinary shares used in calculating basic earnings and diluted earnings per share | 10,482,192    | 100,000       |
| Effect of share split:                                                                                       | 29,517,808    | 39,900,000    |
| Adjusted weighted average number of ordinary shares used in calculating basic and diluted earnings per share | 40,000,000    | 40,000,000    |

**NOTE 25: DIRECTOR AND EXECUTIVE COMPENSATION AND RELATED PARTY TRANSACTIONS**

**(a) Key management personnel compensation disclosures**

The following persons were Directors and Executives of Aquirian Limited during the financial year:

*(i) Directors*

Bruce McFadzean  
 Alexandra Atkins  
 David Kelly  
 Gregory Patching

*(ii) Executives*

Mark Hunter

*Compensation*

The aggregate compensation made to key management personnel of the Group is set out below:

|                              | <b>2021</b> | <b>2020</b> |
|------------------------------|-------------|-------------|
|                              | <b>\$</b>   | <b>\$</b>   |
| Short-term employee benefits | 650,563     | 580,792     |
| Post-employment benefits     | 63,582      | 64,600      |
| Share-based payments         | -           | -           |
|                              | 714,145     | 645,392     |

Information regarding individual Directors and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the Directors' Report. Apart from the details disclosed in this Note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

**(b) Subsidiaries**

All inter-company loans and receivables are eliminated on consolidation and are interest free, with no set repayment terms.

**(c) Other transactions with Directors, key management personnel and other related parties**

During the year, there were no material contracts or transactions entered into with Directors, key management personnel or other related parties outside of their agreements for compensation for services rendered in their capacity as Directors or employees.

| <b>NOTE 26: AUDITOR'S REMUNERATION</b>                                                     | <b>2021</b>    | <b>2020</b>    |
|--------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                            | <b>\$</b>      | <b>\$</b>      |
| <b>(a) Amounts paid and payable to Pitcher Partners BA&amp;A Pty Ltd for:</b>              |                |                |
| (i) Audit and other assurance services                                                     |                |                |
| Audit or review of financial report of the parent entity and any other entity in the Group | 26,000         | 64,000         |
| Other assurance services                                                                   |                |                |
| - Investigating accountants report                                                         | 12,000         | -              |
| Total remuneration for audit and other assurance services                                  | <u>38,000</u>  | <u>64,000</u>  |
| (ii) Other non-audit services payable to related entities of Pitcher Partners BA&A Pty Ltd |                |                |
| - Due diligence services                                                                   | 27,396         | -              |
| - Taxation services                                                                        | 47,650         | 39,943         |
| Total remuneration for non-audit services                                                  | <u>75,046</u>  | <u>39,943</u>  |
| Total remuneration of Pitcher Partners BA&A Pty Ltd and related entities                   | <u>113,046</u> | <u>103,943</u> |

| <b>NOTE 27: PARENT ENTITY INFORMATION</b>                                             | <b>2021</b>    | <b>2020</b>     |
|---------------------------------------------------------------------------------------|----------------|-----------------|
|                                                                                       | <b>\$</b>      | <b>\$</b>       |
| Summarised presentation of the parent entity, Aquirian Limited, financial statements: |                |                 |
| <b>(a) Summarised statement of financial position</b>                                 |                |                 |
| <b>Assets</b>                                                                         |                |                 |
| Current assets                                                                        | 356,659        | 13,370          |
| Non-current assets                                                                    | 242,478        | 256,885         |
| Total assets                                                                          | <u>599,137</u> | <u>270,255</u>  |
| <b>Liabilities</b>                                                                    |                |                 |
| Current liabilities                                                                   | 392,319        | 349,340         |
| Total liabilities                                                                     | <u>392,319</u> | <u>349,340</u>  |
| <b>Net assets</b>                                                                     | <u>206,818</u> | <u>(79,085)</u> |
| <b>Equity</b>                                                                         |                |                 |
| Share capital                                                                         | 100            | 100             |
| Retained earnings                                                                     | 206,718        | (79,185)        |
| Total equity                                                                          | <u>206,818</u> | <u>(79,085)</u> |

|                                                                                  |                |                 |
|----------------------------------------------------------------------------------|----------------|-----------------|
| <b>(b) Summarised Statement of Profit or Loss and Other Comprehensive Income</b> |                |                 |
| Profit /(loss) for the year                                                      | 285,903        | (79,185)        |
| Total comprehensive income for the year                                          | <u>285,903</u> | <u>(79,185)</u> |

**(c) Parent entity guarantees**

Aquirian Limited has provided a general security guarantee to a major bank in relation to the Group's borrowings under asset finance facilities and a long-term bank loan. Refer to Note 16 for further information.

**NOTE 28: SEGMENT INFORMATION**

**(a) Description of segments**

The Group's operations are located primarily within Australia. The Group has identified the following reportable segments:

- Mining Services: providing consumable products, blasting products and lease equipment, as well as manufacturing innovative storage solutions for explosive materials and dangerous goods.
- People Services Division: Nationwide personnel on permanent, casual or contract basis, and the training of individuals within the drill & blast focussed industry.

These operating segments have been identified based on internal reports reviewed by the Group's Managing Director in order to allocate resources to the segment and assess performance.

**(b) Segment information**

The Group's Managing Director uses segment revenue, segment result, segment assets and segment liabilities to assess each operating segment's financial performance and position. Amounts reported for each operating segment are the same amount reported in the internal reports.

Amounts in segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. Inter-segment revenue is determined on an arm's length basis.

Segment information is reconciled to financial statements and underlying profit disclosure notes if provided elsewhere where these amounts differ.

| <b>2021</b>                                      | <b>Mining<br/>Services<br/>\$</b> | <b>People<br/>Services<br/>\$</b> | <b>Corporate/<br/>Unallocated<br/>\$</b> | <b>Total<br/>\$</b> |
|--------------------------------------------------|-----------------------------------|-----------------------------------|------------------------------------------|---------------------|
| <b>Segment revenue</b>                           |                                   |                                   |                                          |                     |
| Total segment revenue                            | 6,002,119                         | 6,590,611                         | 150,000                                  | <b>12,742,730</b>   |
| <b>Segment revenue from external source</b>      | 6,002,119                         | 6,590,611                         | 150,000                                  | <b>12,742,730</b>   |
| <b>Segment result</b>                            |                                   |                                   |                                          |                     |
| Total segment result                             | 592,013                           | (254,558)                         | 285,903                                  | <b>623,358</b>      |
| Intersegment eliminations                        | 1,076,289                         | 758,629                           | (1,834,918)                              | -                   |
| <b>Total profit/(loss) before income tax</b>     | 1,695,186                         | 477,187                           | (1,549,015)                              | <b>623,358</b>      |
| <i>Items included within the segment result:</i> |                                   |                                   |                                          |                     |
| Interest income                                  | 71                                | -                                 | -                                        | <b>71</b>           |
| Interest expense                                 | 121,861                           | 15,468                            | 2,549                                    | <b>139,878</b>      |
| Depreciation and amortisation expense            | 781,459                           | -                                 | 2,396                                    | <b>783,855</b>      |
| Income tax expense                               | -                                 | -                                 | 195,161                                  | <b>195,161</b>      |

The Group's concentration risk on major customers decreased in 2021. The Group derived approximately 17% of its external revenue from a major customer. This customer is a premier mining industry services provider who operates across Australia. All other customers represented less than 10% of the Group's total revenue from external customers.

**AQUIRIAN LIMITED AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

| <b>2021</b>                      | <b>Mining<br/>Services</b> | <b>People<br/>Services</b> | <b>Corporate/<br/>Unallocated</b> | <b>Total</b>     |
|----------------------------------|----------------------------|----------------------------|-----------------------------------|------------------|
| <b>Segment assets</b>            | 6,376,688                  | 1,497,693                  | 599,139                           | <b>8,473,520</b> |
| Intersegment eliminations        | (41,696)                   | (10,444)                   | (197,085)                         | <b>(249,225)</b> |
| <b>Total Segment assets</b>      | <b>6,334,992</b>           | <b>1,487,249</b>           | <b>402,054</b>                    | <b>8,224,295</b> |
| <b>Segment liabilities</b>       | 4,607,802                  | 1,029,881                  | 392,319                           | <b>6,030,002</b> |
| Intersegment eliminations        | (187,266)                  | (29,668)                   | (4,400)                           | <b>(221,334)</b> |
| <b>Total Segment liabilities</b> | <b>4,420,536</b>           | <b>1,000,213</b>           | <b>387,919</b>                    | <b>5,808,668</b> |

| <b>2020</b>                                      | <b>Mining<br/>Services<br/>\$</b> | <b>People<br/>Services<br/>\$</b> | <b>Corporate/<br/>Unallocated<br/>\$</b> | <b>Total<br/>\$</b> |
|--------------------------------------------------|-----------------------------------|-----------------------------------|------------------------------------------|---------------------|
| <b>Segment revenue</b>                           |                                   |                                   |                                          |                     |
| Total segment revenue                            | 3,794,022                         | 7,232,337                         | -                                        | <b>11,026,359</b>   |
| <b>Segment revenue from external<br/>source</b>  | 3,794,022                         | 7,232,337                         | -                                        | <b>11,026,359</b>   |
| <b>Segment result</b>                            |                                   |                                   |                                          |                     |
| Total segment result                             | 681,489                           | 572,007                           | (79,185)                                 | <b>1,174,311</b>    |
| Intersegment eliminations                        | -                                 | -                                 | -                                        | <b>-</b>            |
| <b>Total profit/(loss) before income<br/>tax</b> | <b>681,489</b>                    | <b>572,007</b>                    | <b>(79,185)</b>                          | <b>1,174,311</b>    |

*Items included within the segment  
result:*

|                                       |         |         |          |                |
|---------------------------------------|---------|---------|----------|----------------|
| Interest income                       | 928     | -       | -        | <b>928</b>     |
| Interest expense                      | 63,318  | 22,146  | -        | <b>85,464</b>  |
| Depreciation and amortisation expense | 675,652 | -       | 54       | <b>675,706</b> |
| Income tax expense                    | 134,721 | 229,077 | (70,318) | <b>293,480</b> |

The Group derived approximately 50% of its external revenue from two major customers. These customers are premier mining services providers who operate across Australia. All other customers represented less than 10% of the Group's total revenue from external customers.

|                                  |                  |                  |               |                  |
|----------------------------------|------------------|------------------|---------------|------------------|
| <b>Segment assets</b>            | 3,403,745        | 1,532,121        | (16,663)      | <b>4,919,203</b> |
| Intersegment eliminations        | (167,273)        | 26,225           | 113,157       | <b>(27,891)</b>  |
| <b>Total Segment assets</b>      | <b>3,236,472</b> | <b>1,558,346</b> | <b>96,494</b> | <b>4,891,312</b> |
| <b>Segment liabilities</b>       | 2,226,870        | 809,751          | 62,422        | <b>3,099,043</b> |
| Intersegment eliminations        | -                | -                | -             | <b>-</b>         |
| <b>Total Segment liabilities</b> | <b>2,226,870</b> | <b>809,751</b>   | <b>62,422</b> | <b>3,099,043</b> |

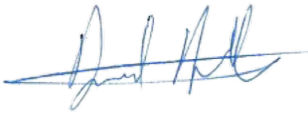
**DIRECTORS DECLARATION**

The Directors declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 15 to 50, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
  - (b) as stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
  - (c) giving a true and fair view of the financial position of the Group as at 30 June 2021 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that Aquirian Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2021.

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



David Kelly  
Managing Director

Perth  
Date 27 August 2021

AQUIRIAN LIMITED  
ABN 23 634 457 506

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AQUIRIAN LIMITED

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Aquirian Limited (the "Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated 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, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) 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 are independent of the Group 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 (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

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

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**AQUIRIAN LIMITED  
ABN 23 634 457 506**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AQUIRIAN LIMITED**

| <b>Key Audit Matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>How our audit addressed the key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue recognition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <i>Refer to Note 2(w) and Note 4 of the Financial Report</i>                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>For the year ended 30 June 2021, the Group had revenue of \$12,462,652 from contracts with customers relating to its mining and people services divisions.</p> <p>The determination of revenue recognition requires Management judgements in accounting for revenue, in accordance with the Group's identified performance obligations as part of the transaction, as required under <i>AASB 15 Revenue from contracts with customers</i> ("AASB 15").</p> | <p>Our procedures included, amongst others:</p> <p>Understanding and evaluating the design and implementation of the relevant controls associated with the recognition of revenue, including, but not limited to, those relating to identification of performance obligations and when they are satisfied.</p> <p>Considering the appropriateness of the Group's revenue recognition accounting policies including those relating to identifying performance obligations, determining the transaction price and allocating the transaction price to the performance obligations in contracts.</p> <p>Testing a sample of invoices and transactions which took place during the year, assessing the revenue recognition and timing of when the Group satisfies performance obligations associated with the transaction in accordance with AASB 15.</p> <p>Considering the adequacy of the disclosures included within the financial report.</p> |

**AQUIRIAN LIMITED  
ABN 23 634 457 506**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AQUIRIAN LIMITED**

| <b>Key Audit Matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>How our audit addressed the key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recoverability of non-current assets</b><br><i>Refer to Note 12 and Note 14 to the financial report.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>Included in the consolidated statement of financial position as at 30 June 2021 is an amount of \$4,496,198 relating to non-current assets. This amount represents 55% of total assets. \$689,951 of this amount relates to goodwill acquired in business combinations.</p> <p>AASB 136 <i>Impairment of Assets</i> ("AASB 136") requires an entity to test non-current assets where there are indicators of impairment and to test goodwill acquired in a business combination for impairment annually.</p> <p>The evaluation of the recoverable amount of the Group's cash generating units ('CGUs') requires significant Management judgement in determining the key assumptions and estimates, including but not limited to:</p> <ul style="list-style-type: none"> <li>▪ growth rate assumptions; and</li> <li>▪ discount factors</li> </ul> <p>supporting the expected future cash flows of the business and the utilisation of the relevant assets.</p> <p>Due to the significance to the Group's financial report and the level of Management judgment involved in assessing the recoverable amount of the Group's CGUs, we consider this to be a key audit matter.</p> | <p>Our procedures included, amongst others:</p> <p>Understanding and evaluating the design and implementation of the processes and controls associated with the assessment of the Group's CGUs.</p> <p>Assessing Management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment.</p> <p>Evaluating and assessing the Management's assessment for impairment indicators associated with plant and equipment assets contained within the Group's CGUs.</p> <p>For CGUs which contained goodwill recognised as a result of business combinations, critically assessing and challenging Management's judgments in respect of the key assumptions and estimates used to determine the recoverable value of the Group's CGUs in accordance with AASB 136.</p> <p>Performing sensitivity analysis on the key assumptions and key estimates with CGUs that contained goodwill acquired as part of a business combination.</p> <p>Testing the mathematical accuracy of these CGU models.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p> |

**AQUIRIAN LIMITED  
ABN 23 634 457 506**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AQUIRIAN LIMITED**

| <b>Key Audit Matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>How our audit addressed the key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Acquisition of Maglok Australia assets</b><br><i>Refer to Note 23 to the financial report</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>During the year ended 30 June 2021, the Group acquired 100% of the business assets of Maglok Australia for consideration of \$700,000 before working capital adjustments (the "Transaction").</p> <p>Accounting for the acquisition under <i>AASB 3 Business Combinations</i> ("AASB 3") as a business combination or under alternative Australian Accounting Standards as an asset acquisition requires judgment in determining key assumptions and estimates.</p> <p>These include:</p> <ul style="list-style-type: none"> <li>• whether or not the acquisition represents the definition of a business under AASB 3; and</li> <li>• determining the fair value of the consideration transferred, including any acquisition-date fair value of contingent consideration.</li> <li>• Determining the fair value of assets acquired and any liabilities assumed under the transaction.</li> </ul> <p>Due to the significance to the Group's financial report and the level of Management judgment involved in the accounting for the Transaction, we consider this to be a key audit matter.</p> | <p>Our procedures included, amongst others:</p> <p>Reading the sale and purchase agreement to understand key terms and conditions of the transaction.</p> <p>Understanding and evaluating the design and implementation of the processes and controls associated with the assessment of the accounting required relating to acquisitions.</p> <p>Critically evaluating the Group's determination of the fair value of the assets and liabilities acquired in the acquisition</p> <p>Checking the mathematical accuracy of the calculations performed in accordance with AASB 3 for consolidation purposes.</p> <p>Assessing the Group's disclosures within the financial report and the appropriateness, including consistency with the key assumptions and judgements made by Management.</p> |

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group'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.

**AQUIRIAN LIMITED**  
**ABN 23 634 457 506**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AQUIRIAN LIMITED**

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.

*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 Group 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 Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

AQUIRIAN LIMITED  
ABN 23 634 457 506

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AQUIRIAN LIMITED**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group 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.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

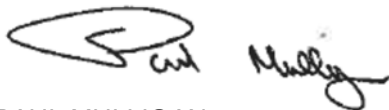
We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Aquirian Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 27 August 2021

## ADDITIONAL SHAREHOLDER INFORMATION

### HOLDINGS AS AT 30 SEPTEMBER 2021

The distribution of members and their holdings of equity securities in the company as at 30 September 2021 were as follows:

| Number of Securities Held | Fully Paid Shares |                   | Options        |                  |
|---------------------------|-------------------|-------------------|----------------|------------------|
|                           | No. of Holders    | Securities        | No. of Holders | Securities       |
| 1-1,000                   | 4                 | 1,402             | -              | -                |
| 1,001 - 5,000             | 55                | 180,918           | -              | -                |
| 5,001 – 10,000            | 71                | 648,521           | -              | -                |
| 10,001 - 100,000          | 246               | 11,254,968        | 1              | 75,000           |
| 100,001 and over          | 114               | 67,914,191        | 6              | 2,425,000        |
| <b>Total</b>              | <b>490</b>        | <b>80,000,000</b> | <b>7</b>       | <b>2,500,000</b> |

Holders of less than a marketable parcel: 28

### 20 LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2021

| Fully Paid Ordinary Shares |                                                                | No.               | (%)           |
|----------------------------|----------------------------------------------------------------|-------------------|---------------|
| 1                          | Sally Patching & Greg Patching and controlled entities         | 20,279,000        | 25.35%        |
| 2                          | NATALIE JUNE LAWSON <LAWSON FAMILY A/C>                        | 8,000,000         | 10.00%        |
| 3                          | David Kelly and controlled entities                            | 6,431,500         | 8.04%         |
| 4                          | Bruce Nominees and associated entities                         | 4,475,000         | 5.59%         |
| 5                          | LISA MARIE DE SAN MIGUEL                                       | 2,000,000         | 2.50%         |
| 6                          | CLINT NOLAN                                                    | 972,500           | 1.22%         |
| 7                          | CORNUCOPIA ASSETS PTY LTD <CORNUCOPIA SUPER FUND A/C>          | 950,000           | 1.19%         |
| 8                          | 1215 CAPITAL PTY LTD                                           | 850,000           | 1.06%         |
| 9                          | SOUTHAM INVESTMENTS 2003 PTY LTD <WARWICKSHIRE INVESTMENT A/C> | 750,000           | 0.94%         |
| 9                          | MR BIN LIU                                                     | 750,000           | 0.94%         |
| 10                         | BA WEIR ATF B&V WEIR TRUST                                     | 625,000           | 0.78%         |
| 10                         | NASUTI PTY LTD                                                 | 625,000           | 0.78%         |
| 11                         | BLOCK CAPITAL GROUP LIMITED                                    | 567,500           | 0.71%         |
| 12                         | QUATTROPORTE PTY LTD <LUX DE VIVRE A/C>                        | 500,000           | 0.63%         |
| 12                         | SHARNEM PTY LTD <SHARNEM INVESTMENT A/C>                       | 500,000           | 0.63%         |
| 12                         | CIG (WA) PTY LTD <CLARK FAMILY A/C>                            | 500,000           | 0.63%         |
| 12                         | MRS SHERYL LEE IRESO <MERLEY FAMILY A/C>                       | 500,000           | 0.63%         |
| 13                         | FLOURISH SUPER PTY LTD <FLOURISH S/F A/C>                      | 450,000           | 0.56%         |
| 13                         | MR CHRISTOPHER HIGHAM                                          | 450,000           | 0.56%         |
| 14                         | GLENDINA PTY LTD <THE SUNSET S/F A/C>                          | 425,000           | 0.53%         |
| 15                         | BRISBANE HOSPITALITY PTY LTD <BRISBANE HOSPITALITY A/C>        | 414,273           | 0.52%         |
| 16                         | CROESUS MINING PTY LTD <STEINEPREIS SUPER FUND A/C>            | 401,998           | 0.50%         |
| 17                         | GFA SERVICES PTY LTD <J D LIDDELL A/C>                         | 400,000           | 0.50%         |
| 18                         | KINGSFORD CAPITAL PTY LTD <MITCHELL LAVALLE A/C>               | 375,000           | 0.47%         |
| 18                         | JANE ELIZABETH PATCHING                                        | 375,000           | 0.47%         |
| 18                         | MR ZANE ROBERT LEWIS <THE RLZ A/C>                             | 375,000           | 0.47%         |
| 18                         | MR PETER HOWELLS                                               | 375,000           | 0.47%         |
| 19                         | CRANLEY CONSULTING PTY LTD <CRANLEY CONSULTING A/C>            | 350,000           | 0.44%         |
| 19                         | BHMB NOMINEES PTY LTD <BHMB FUND A/C>                          | 350,000           | 0.44%         |
| 20                         | XEEN PTY LTD <FRENCH SUPER FUND A/C>                           | 325,000           | 0.41%         |
|                            |                                                                | <b>54,341,771</b> | <b>67.93%</b> |

### Substantial Shareholders

The names of the substantial shareholders listed in the Company's register as at 30 September 2021:

| Fully Paid Ordinary Shares                             | No.        | (%)   |
|--------------------------------------------------------|------------|-------|
| Sally Patching & Greg Patching and controlled entities | 20,279,000 | 25.35 |
| NATALIE JUNE LAWSON <LAWSON FAMILY A/C>                | 8,000,000  | 10.00 |
| David Kelly and controlled entities                    | 6,431,000  | 8.04  |
| Bruce Nominees and associated entities                 | 4,475,000  | 5.59  |

### Unquoted Equity Securities

The Company had on issue as at 30 September 2021 the following unquoted equity securities:

| Unquoted Security                                                 | Number on issue |
|-------------------------------------------------------------------|-----------------|
| Unlisted options – Exercise price of \$0.25 expiring 27 July 2024 | 1,250,000       |
| Unlisted options – Exercise price of \$0.35 expiring 27 July 2025 | 1,250,000       |

The following persons hold 20% or more of unquoted equity securities as at 30 September 2021:

| Holder                                               | Unlisted options |
|------------------------------------------------------|------------------|
| SILVERLIGHT HOLDINGS PTY LTD <CAIRNS INVESTMENT A/C> | 750,000          |
| BRUCE MCFADZEAN                                      | 550,000          |

### Voting Rights

#### Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

#### Options

There are no voting rights attached to Options.

### Restricted Securities

The Company has the following restricted securities at the current date.

| Class of restricted securities | Number     | Date that the escrow period ends |
|--------------------------------|------------|----------------------------------|
| Fully paid ordinary shares     | 20,000,000 | 27/7/2022                        |
| Fully paid ordinary shares     | 10,000,000 | 27/1/2023                        |
| Fully paid ordinary shares     | 10,000,000 | 27/7/2023                        |

### Consistency with business objectives - ASX Listing Rule 4.10.19

The Company confirms that it expects to utilise the funds raised under its prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of funds remain intact.

### Company Secretary

The name of the Company Secretary is Victor Goh.

### Address and telephone details of the entity's registered and administrative office

Level 3, 190 St. Georges Terrace  
PERTH, WA, AUSTRALIA, 6000

Telephone: +61 8 6370 5400

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***Address and telephone details of the office at which a register of securities is kept***

AUTOMIC REGISTRY SERVICES  
LEVEL 2, 267 St Georges Terrace  
PERTH, WA, AUSTRALIA, 6000

Telephone: (08) 9324 2099  
Facsimile: +61 2 8583 3040

***Securities exchange on which the Company's securities are quoted***

The Company's listed equity securities are quoted on the Australian Securities Exchange.

***Review of Operations***

A review of operations is contained in the Directors' Report.