



**AUGUSTUS  
COPPER**

LIMITED

A.C.N. 651 349 638

**ANNUAL REPORT**

**30 June 2021**

## Contents

|                                                                  |    |
|------------------------------------------------------------------|----|
| Directors' report .....                                          | 3  |
| Auditors Independence Declaration .....                          | 9  |
| Statement of profit or loss and other comprehensive income ..... | 10 |
| Statement of financial position .....                            | 11 |
| Statement of changes in equity .....                             | 12 |
| Statement of cash flows .....                                    | 13 |
| Notes to the financial statements .....                          | 14 |
| Directors' Declaration .....                                     | 28 |
| Independent Auditor's Report .....                               | 29 |

## Directors' report

Your directors present their report on Augustus Copper Limited (**Augustus Copper** or **the Company**) for the financial period ended 30 June 2021.

Augustus Copper was incorporated on 24 June 2021 with the intention of listing on the Australian Securities Exchange (**ASX**).

### Directors

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

- |                          |                                                                             |
|--------------------------|-----------------------------------------------------------------------------|
| • Brian Bernard Rodan    | Executive Director ( <i>appointed 24.06.2021</i> )                          |
| • Darren John Holden     | Non-Executive Director ( <i>appointed 16.12.2021</i> )                      |
| • Graeme Ian Smith       | Non-Executive Director ( <i>appointed 02.03.2022</i> )                      |
| • Johnathon Busing       | Non-Executive Director ( <i>appointed 25.08.2021, resigned 18.01.2022</i> ) |
| • Amanda Jane Buckingham | Non-Executive Director ( <i>appointed 21.09.2021, resigned 10.02.2022</i> ) |
| • Paul Anthony Heatley   | Non-Executive Director ( <i>appointed 24.06.2021, resigned 25.08.2021</i> ) |
| • Philip Michael Greaney | Non-Executive Director ( <i>appointed 24.06.2021, resigned 21.09.2021</i> ) |

Directors have been in office since incorporation to the date of this report unless otherwise stated. For additional information on Directors, including details of the qualifications of Directors, please refer to the paragraph 'Information relating to the directors' of this Directors' Report.

### Company secretary

- |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • Sebastian Andre  | ( <i>Appointed 10 February 2022</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Qualifications     | <input type="checkbox"/> BAcc/BA, GradDip Fin, FGIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Experience         | <input type="checkbox"/> Mr Andre is a Chartered Secretary with over 10 years' experience in corporate advisory, governance and risk services. He has previously acted as an adviser at the ASX and has a thorough understanding of the ASX Listing Rules, specialising in providing advice to companies and their boards in respect to capital raisings, IPOs, backdoor listings, corporate compliance and governance matters. Mr Andre holds qualifications in accounting, finance and corporate governance and is a member of the Governance Institute of Australia. |
| • Johnathon Busing | ( <i>Appointed 24 June 2021, resigned 18.01.2022</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Qualifications     | <input type="checkbox"/> BBus, CA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Experience         | <input type="checkbox"/> Mr Busing is the managing director and owner of Everest Accounting. He specialises in advising ASX listed companies on compliance, mergers and acquisitions and statutory accounting requirements.                                                                                                                                                                                                                                                                                                                                             |

Mr Busing was a forensic accountant at RSM before joining Mining Corporate in 2011 and was responsible for the compliance and requirements of ASX listed and unlisted entities. Mr Busing is the current Company secretary for multiple ASX listed entities and Director of Caeneus Minerals Limited (ASX: CAD).

## Directors' report

### **Dividend paid or recommended**

There were no dividends paid or recommended during the period ended 30 June 2021.

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

There have been no significant changes in the state of affairs of the Company during the period ended 30 June 2021 other than disclosed elsewhere in this Annual Report.

### **Operating and financial review**

#### **Nature of Operations and Principal Activities**

The Company was incorporated as an unlisted public company limited by shares on 24 June 2021, for the purpose of acquiring, exploring, and developing copper, gold, and molybdenum projects in Western Australia.

#### **Operations Review**

The Company's main business undertaking is the exploration for and development of mineral resources.

Augustus Copper is to acquire a 100% interest in a large and contiguous 3,602km<sup>2</sup> tenement package in the Gascoyne province of Western Australia.

The project, known as the Ti Tree Shear Project ("Project"), is located 250km east-northeast of Carnarvon in the shires of Upper Gascoyne and Carnarvon. The Project straddles the Ti Tree Shear Zone, which runs west to east across the tenement package.

Within the tenement package there are two advanced exploration prospects with known mineralisation and referred to as Crawford Bore (copper, gold) and Mining Springs (gold, copper and molybdenum).

Geologically the Project is situated within the deformed and high-grade metamorphic core of the Capricorn Orogen with past exploration revealing numerous anomalous surface geochemical samples with sub-economic to economic grades of Au, Cu, Pb, Mo and W, many of which have never been drill tested.

Over the last 3 years the vendor has compiled and interrogated an extensive data set of past exploration records. Subsequent groundwork undertaken by the vendor along with a number of highly regarded geological consultants and contractors, has identified north west trending structural lineaments and their intersections with the Ti Tree Shear, Minga Bar Fault and granite intrusions.

A targeting study has defined 39 drill targets, including 11 areas as priority 1 drill targets with little or no tertiary coverage.

The Company's intention is to advance the geological understanding and prospectivity of the key target areas using airborne and non-ground disturbing methods, prior to advancing to an initial public offering (IPO) and quotation on the Australian Securities Exchange (ASX).

Once the IPO is completed, the Company will immediately commence an intensive and comprehensive drilling campaign over all the key target areas, where it will systematically test the 39 drill targets already identified by geochemical, structural and geophysical work previously completed by the Company.

## Directors' report

### Financial Review

#### *Operating Results*

For the period ended 30 June 2021 the Company reported a loss before tax of \$45,836.

#### *Financial Position*

The net assets of the Company as at 30 June 2021 were \$674,164. As at 30 June 2021, the Company's cash and cash equivalents were \$500,000 and it had working capital of \$674,164

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the period of \$45,836.

The directors are satisfied that the going concern basis of preparation is appropriate as the directors are confident of the Company's ability to raise additional funds as and when they are required.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

### Events Subsequent to Reporting Date

The following significant events have arisen since the end of the period:

a. **Share Issues**

As part of the Company's pre-IPO capital raising, seed capital shares will be issued subsequent to year end. As at the date of this report, these shares have not been issued. Funds received to date have been recorded as share capital on the Statement of Financial Position. The proposed seed capital raising is for 20,000,000 shares issued at \$0.10 each to raise a total \$2,000,000.

b. **Application for quotation on the Australian Securities Exchange**

The Company is currently in the early stages of applying for quotation on the Australian Securities Exchange (ASX). The Company has lodged its suitability application ahead of a proposed listing on the ASX. The proposed capital raising is for 75,000,000 shares issued at \$0.20 each to raise a total of \$15,000,000.

c. **Acquisition of Capricorn Orogen Pty Ltd**

On 14 September 2021, the Company entered into a Share Sale Agreement with Mining Investments Australia Pty Ltd, pursuant to which the Company will have a conditional right to acquire 100% of the issued capital in Capricorn Orogen Pty Ltd which holds, and is entitled to explore and mine, certain tenements in the Gascoyne region of Western Australia. As at the date of this report, settlement is yet to occur.

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## Directors' report

### Future Developments, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

### Environmental Regulations

The Company's operations are not currently subject to any significant environmental regulations in the jurisdiction it operates in, namely Australia.

### Information relating to the directors:

- |                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>■ <b>Brian Rodan</b></p> <p>Qualifications</p> <p>Experience</p>   | <p>□ Executive Chairman (<i>appointed 24 June 2021</i>)</p> <p>□ Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM)</p> <p>□ Managing Director and owner of Australian Contract Mining Pty Ltd (ACM), a mid-tier contracting company that successfully completed \$1.5B worth of work over a 20 year period. ACM was sold to an ASX listed gold mining company in 2017. Founding Director of Dacian Gold Limited, which purchased the Mt Morgans Gold Mine from the Administrator of Range River Gold Ltd. After it listed on the ASX in 2012 Mr Rodan was Dacian's largest shareholder. Executive Director of Eltin Limited. 15-year tenure with Australia's largest full service ASX listed contract mining company with annual turnover of \$850M (+). Mr Rodan is currently Managing Director and Acting Executive Chairman of Siren Gold Limited (ASX: SNG) and Icen Gold Limited (ASX: ICL).</p>                                                                                                                                                                                                                                                                      |
| <p>■ <b>Darren Holden</b></p> <p>Qualifications</p> <p>Experience</p> | <p>□ Non-Executive Director (<i>appointed 16 December 2021</i>)</p> <p>□ BSc (Hons) First Class (Geology), PhD (History)</p> <p>□ Dr Darren Holden is a geologist with 27 years industry experience in mineral exploration and exploration technologies. He has worked in North America and Australia, where he has been involved in discovery stage copper, gold, silver, molybdenum and platinum group elements deposits. He specialises in regional to local scale targeting using integration of geology, geophysics and geochemistry. He is a past Vice President of Geoinformatics/Fractal Geoscience and a former CEO of ABM Resource NL. Darren runs exploration advisory business GeoSpy, and co-founded successful private project generation businesses Marlee Minerals and Odette Geoscience. He is currently a director of Aurumin Ltd (ASX:AUN) as well as several private companies. Darren holds a BSc (Hons) First Class (Geology) from the University of Western Australia and a PhD (History) from the University of Notre Dame Australia. Darren is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and the Geological Society of Australia.</p> |

## Directors' report

### ■ Graeme Smith

Qualifications

Experience

- Non-Executive Director (*appointed 2 March 2022*)
- BEc, MBA, MComLaw, FCPA, FCIS, FGIA
- Graeme Smith is an experienced resources sector chief financial officer, company secretary and corporate executive who has worked with mining and exploration companies with operations in Australia (Croesus Mining NL, Genesis Minerals Limited, Jabiru Metals Limited, Breaker Resources NL, Pluton Resources Limited) and overseas (Tanga Resources Limited, Ikwezi Mining Limited) for the past 30 years. He is the principal of Wembley Corporate Services, which provides Company Secretarial, CFO and Corporate Governance services to public companies. He is a Fellow of the Australian Society of Certified Practising Accountants, the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia. Graeme is currently the Company Secretary for Alto Metals Limited, Avenira Limited, Renegade Exploration Limited, Enterprise Metals Limited and was a director of ASX listed Anglo Australia Resources NL in the past 3 years.

### ■ Johnathon Busing

Qualifications

Experience

- Non-Executive Director (*appointed 25 August 2021, resigned 18 January 2022*)
- BBus, CA.
- Mr Busing is the managing director and owner of Everest Accounting. He specialises in advising ASX listed companies on compliance, mergers and acquisitions and statutory accounting requirements.

Mr Busing was a forensic accountant at RSM before joining Mining Corporate in 2011 and was responsible for the compliance and requirements of ASX listed and unlisted entities. Mr Busing is the current Company secretary for multiple ASX listed entities and Director of Caeneus Minerals Limited (ASX: CAD).

### ■ Amanda Jane Buckingham

Qualifications

Experience

- Non-Executive Director (*appointed 21 September 2021, resigned 10 February 2022*)
- BSc (Hons), PhD.
- Amanda is a geophysicist with 25 years' experience in mineral and petroleum exploration. She has worked in industry, consulting and academia, on all continents; across a broad range of commodities and deposit styles. Amanda has worked for majors such as Rio Tinto, as well as listed and start-up junior explorers. She began consulting with SRK in Perth; and developed her expertise in airborne geophysical data from several years managing acquisition projects with High Sense Geophysics in Toronto, and Fugro Airborne Surveys in Southern Africa. Amanda is currently a director and owner of Fathom Geophysics, an industry leading geophysical consultancy that has aided discoveries and exploration programs across the globe; specializing in structure detection and targeting under cover. Amanda is currently a director of Plutonic Limited (an unlisted public company) and was formerly a director of Cygnus Gold Limited (ASX:CY5).

### ■ Paul Heatley

Qualifications

Experience

- Non-Executive Director (*appointed 24 June 2021, resigned 25 August 2021*)
- BBus, CPA.
- Mr Heatley is an accountant and member of CPA Australia with 20 years' experience in providing business advisory, taxation, and company secretarial services to a range of large private and public unlisted companies. He is currently a Company Secretary of Desert Metals Limited (ASX: DM1).

## Directors' report

### ■ Philip Greaney

Qualifications

Experience

□ Non-Executive Director (*appointed 24 June 2021, resigned 21 September 2021*)

□ B. Law, GradDip App. Fin.

□ Philip is a partner at Steinepreis Paganin, a mid-tier corporate and commercial law firm with offices in Perth and Melbourne.

Philip has a wide range of experience in corporate governance compliance and management, general corporate and commercial legal advice and services, public and private mergers and acquisitions, negotiation and drafting of mining and resources agreements, capital raisings (including IPOs and backdoor listings), Takeovers Panel matters, due diligence investigations and compliance issues.

### Meetings of directors

During the period one meeting of Directors was held. Attendances by each Director during the period are stated in the following table:

|                | Directors Meetings        |                 |
|----------------|---------------------------|-----------------|
|                | Number eligible to attend | Number attended |
| Brian Rodan    | 1                         | 1               |
| Philip Greaney | 1                         | 1               |
| Paul Heatley   | 1                         | 1               |

### Indemnifying officers or auditors

#### Indemnification

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

#### Insurance premiums

During the financial period the Company has paid a premium of \$Nil in respect of a contract to insure the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

### Proceedings on behalf of the company

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

The Company was not a party to any such proceedings during the year.

### Auditors independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the period ended 30 June 2021 has been received and can be found on page 9.

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



**BRIAN RODAN**

Managing Director

Dated this 10th day of May 2022

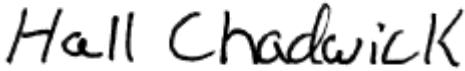
To the Board of Directors,

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the audit of the financial statements of Augustus Copper Limited for the financial period ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

  
**HALL CHADWICK WA AUDIT PTY LTD**

  
**MARK DELAURENTIS CA**  
**Director**

Dated Perth, Western Australia this 10<sup>th</sup> day of May 2022

## Statement of profit or loss and other comprehensive income

For the period ended 30 June 2021

|                                                                    | Note | 24 Jun 2021<br>to 30 Jun 2021<br>\$ |
|--------------------------------------------------------------------|------|-------------------------------------|
| <b><i>Continuing operations</i></b>                                |      |                                     |
| Revenue                                                            |      | -                                   |
| Legal fees                                                         |      | 4,734                               |
| Professional fees                                                  |      | 39,544                              |
| Public relations, marketing and advertising                        |      | 1,558                               |
|                                                                    |      | <hr/>                               |
| Loss before tax                                                    |      | (45,836)                            |
| Income tax benefit                                                 | 2    | -                                   |
|                                                                    |      | <hr/>                               |
| <b>Net loss for the period</b>                                     |      | <b>(45,836)</b>                     |
|                                                                    |      | <hr/>                               |
| <b><i>Other comprehensive income, net of income tax</i></b>        |      |                                     |
| Items that will not be reclassified subsequently to profit or loss |      | -                                   |
| Items that may be reclassified subsequently to profit or loss      |      | -                                   |
|                                                                    |      | <hr/>                               |
| <b>Other comprehensive income for the period, net of tax</b>       |      | <b>-</b>                            |
|                                                                    |      | <hr/>                               |
| <b>Total comprehensive loss for the period</b>                     |      | <b>(45,836)</b>                     |

*The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.*

## Statement of financial position

As at 30 June 2021

|                                      | Note | 30 Jun 2021<br>\$ |
|--------------------------------------|------|-------------------|
| <b>Current Assets</b>                |      |                   |
| Cash and cash equivalents            | 3a   | 500,000           |
| Trade and other receivables          | 4    | 204,726           |
| <b>Total Current Assets</b>          |      | <b>704,726</b>    |
| <b>Non-Current Assets</b>            |      | -                 |
| <b>Total Non-Current Assets</b>      |      | -                 |
| <b>Total Assets</b>                  |      | <b>704,726</b>    |
| <b>Current Liabilities</b>           |      |                   |
| Trade and other payables             | 5    | 30,562            |
| <b>Total Current Liabilities</b>     |      | <b>30,562</b>     |
| <b>Non-Current Liabilities</b>       |      | -                 |
| <b>Total Non-Current Liabilities</b> |      | -                 |
| <b>Total Liabilities</b>             |      | <b>30,562</b>     |
| <b>Net Assets</b>                    |      | <b>674,164</b>    |
| <b>Equity</b>                        |      |                   |
| Share capital                        | 6    | 720,000           |
| Accumulated losses                   |      | (45,836)          |
| <b>Total Equity</b>                  |      | <b>674,164</b>    |

The statement of financial position is to be read in conjunction with the accompanying notes.

## Statement of changes in equity

For the period ended 30 June 2021

|                                                     | Note | Issued Capital<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>\$     |
|-----------------------------------------------------|------|----------------------|-----------------------------|-----------------|
| <b>Balance at 24 June 2021</b>                      |      | -                    | -                           | -               |
| Loss for the period                                 |      | -                    | (45,836)                    | (45,836)        |
| Other comprehensive income for the period           |      | -                    | -                           | -               |
| <b>Total comprehensive income for the period</b>    |      | -                    | <b>(45,836)</b>             | <b>(45,836)</b> |
| <i>Transactions with owners, directly in equity</i> |      |                      |                             |                 |
| Shares issued                                       | 6    | 20,000               | -                           | 20,000          |
| Share application funds received                    | 6    | 700,000              | -                           | 700,000         |
| <b>Balance at 30 June 2021</b>                      |      | <b>720,000</b>       | <b>(45,836)</b>             | <b>674,164</b>  |

*The statement of changes in equity is to be read in conjunction with the accompanying notes.*

## Statement of cash flows

For the period ended 30 June 2021

|                                                           | Note      | 24 Jun 2021<br>to 30 Jun 2021<br>\$ |
|-----------------------------------------------------------|-----------|-------------------------------------|
| <b><i>Cash flows from operating activities</i></b>        |           |                                     |
| Payments to suppliers                                     |           | -                                   |
| <b>Net cash used in operating activities</b>              | <b>3b</b> | <b>-</b>                            |
| <b><i>Cash flows from Investing activities</i></b>        |           |                                     |
| Loan to related party                                     |           | (100,000)                           |
| <b>Net cash provided from investing activities</b>        |           | <b>(100,000)</b>                    |
| <b><i>Cash flows from financing activities</i></b>        |           |                                     |
| Proceeds from receipt of seed capital                     |           | 600,000                             |
| <b>Net cash provided from financing activities</b>        |           | <b>600,000</b>                      |
| <b>Net increase in cash held</b>                          |           | <b>500,000</b>                      |
| Cash and cash equivalents at the beginning of the period  |           | -                                   |
| <b>Cash and cash equivalents at the end of the period</b> | <b>3a</b> | <b>500,000</b>                      |

*The statement of cash flows is to be read in conjunction with the accompanying notes.*

## Notes to the financial statements

For the period ended 30 June 2021

### **Note 1 Statement of significant accounting policies**

Augustus Copper Limited is a Company limited by shares, incorporated on 24 June 2021 and domiciled in Australia. Augustus Copper Limited is a for-profit entity for the purpose of preparing general purpose financial statements under Australian Accounting Standards.

The financial report was authorised for issue on 10 May 2022 by the Directors' of the Company.

#### **1.1 Basis of preparation**

##### **a. Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the Corporations Act 2001 (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

##### **b. Going Concern**

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the period of \$45,836. As at 30 June 2021, the Company's cash and cash equivalents balance was \$500,000 and it had working capital of \$674,164.

The directors have prepared an estimated cash flow forecast for the 12 month period from the date of this report to determine if the Company will require additional funding during the period.

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising activities planned by the Company.

The directors are satisfied that the going concern basis of preparation is appropriate based on the following factors and judgements:

- The Company has undertaken an initial pre-IPO Capital Raise of \$2,000,000 and it is the intention of the Company to raise a minimum of \$10,000,000 (before costs) of new capital under its IPO. Of the initial \$2,000,000 raise, all funds have been received prior to the date of this report; and
- The Directors are confident that following completion of the proposed capital raisings the Company will have sufficient cash flows to meet all commitments and working capital for the next 12-month period from the date of signing this financial report.

## Notes to the financial statements

For the period ended 30 June 2021

### **Note 1 Statement of significant accounting policies (continued)**

#### **1.1 Basis of preparation (continued)**

##### **c. Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are presently no estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **1.2 Significant accounting policies**

##### **a. Income tax**

The income tax expense or income for the year comprises current income tax expense or income and deferred tax expense or income. Current and deferred income tax expense or income is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

##### ***Current tax***

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities or assets are therefore measured at the amounts expected to be paid to or recovered from the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

##### ***Deferred tax***

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year, as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

## Notes to the financial statements

For the period ended 30 June 2021

### **Note 1 Statement of significant accounting policies (continued)**

#### **1.2 Significant accounting policies (continued)**

##### **a. Income tax (continued)**

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

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.

##### **c. Fair Value**

##### ***Fair value of Assets and Liabilities***

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

## Notes to the financial statements

For the period ended 30 June 2021

### Note 1 Statement of significant accounting policies (continued)

#### 1.2 Significant accounting policies (continued)

##### c. Fair value (continued)

##### *Fair value hierarchy*

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

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

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

##### *Valuation techniques*

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of

unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

##### d. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

##### e. Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

## Notes to the financial statements

For the period ended 30 June 2021

### **Note 1 Statement of significant accounting policies (continued)**

#### **1.2 Significant accounting policies (continued)**

##### **f. Trade and other receivables**

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

##### **g. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

##### **h. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

##### **i. Financial Instruments**

###### ***Initial recognition and measurement***

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instruments is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

###### ***Classification and Subsequent Measurement***

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measure at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortization of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Company does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

## Notes to the financial statements

For the period ended 30 June 2021

### **Note 1 Statement of significant accounting policies (continued)**

#### **1.2 Significant accounting policies (continued)**

##### **i. Financial Instruments (continued)**

##### ***Financial assets at fair value through profit and loss or through other comprehensive Income***

Financial assets are classified at 'fair value through profit or loss' or Fair value through 'Other comprehensive Income' when they are either held for trading for purposes of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss' or other comprehensive income if electing 'Fair Value through other comprehensive income'.

##### ***Financial Liabilities***

The Company's financial liabilities include trade and other payables, loan and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

##### ***Derecognition***

Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial Liabilities are recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

##### ***Impairment of financial assets***

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

## Notes to the financial statements

For the period ended 30 June 2021

### **Note 1 Statement of significant accounting policies (continued)**

#### **1.2 Significant accounting policies (continued)**

##### **j. Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### **k. Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest income is recognised as it accrues in the profit and loss using the effective interest method.

All revenue is stated net of the amount of Goods and Services Tax (GST).

##### **l. Operating Segments**

AASB 8 – Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Board in order to allocate resources to the segments and to assess their performance. Augustus Copper Limited has only one operation, being the exploration for minerals. Consequently, the Company does not report segmented operations.

##### **m. New and Amended Standards Adopted by the Company**

The Company has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Company has not had to change its accounting policies.

## Notes to the financial statements

For the period ended 30 June 2021

## Note 2 Income Tax

|                                                                                                                                    | 24 Jun 2021<br>to 30 Jun 2021<br>\$ |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <b>a. Income tax benefit</b>                                                                                                       |                                     |
| Current tax                                                                                                                        | -                                   |
| Deferred tax                                                                                                                       | -                                   |
| Income tax expenses/(benefit)                                                                                                      | -                                   |
| <b>b. Reconciliation of income tax expense to prima facie tax payable</b>                                                          |                                     |
| The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax expense as follows: |                                     |
| Prima facie tax on operating loss at 26%                                                                                           | (11,917)                            |
| Add / (less) tax effect of:                                                                                                        |                                     |
| • Temporary differences                                                                                                            | 11,438                              |
| • Deferred tax asset not brought to account                                                                                        | 479                                 |
|                                                                                                                                    | -                                   |

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2021 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- i. the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- ii. the Company continues to comply with conditions for deductibility imposed by law; and
- iii. no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss.

## Note 3 Cash and cash equivalents

|                                                                             | At 30 Jun 2021<br>\$ |
|-----------------------------------------------------------------------------|----------------------|
| <b>a. Reconciliation of cash</b>                                            |                      |
| Cash held in trust on behalf of the company                                 | 500,000              |
|                                                                             | <b>500,000</b>       |
| <b>b. Cash Flow information</b>                                             |                      |
| <b>Reconciliation of cash flow from operations to loss after income tax</b> |                      |
| Loss after income tax                                                       | (45,836)             |
| <i>Adjustments for amounts in equity:</i>                                   |                      |
| • Seed capital receipts outstanding                                         | 120,000              |
| <i>Changes in assets and liabilities</i>                                    |                      |
| • Increase in GST receivable                                                | (4,021)              |
| • Increase in other receivables                                             | (20,000)             |
| • Increase in loans to related parties                                      | (80,705)             |
| • Increase in payables                                                      | 30,562               |
| Cash flow utilised in operations                                            | -                    |

## Notes to the financial statements

For the period ended 30 June 2021

## Note 4 Trade and other receivables

|                          | At 30 Jun 2021 |
|--------------------------|----------------|
|                          | \$             |
| <b>Current</b>           |                |
| <i>Unsecured</i>         |                |
| GST receivable           | 4,021          |
| Loans to related parties | 180,705        |
| Share capital receivable | 20,000         |
|                          | <b>204,726</b> |

## Note 5 Trade and other payables

|                  |               |
|------------------|---------------|
| <b>Current</b>   |               |
| <i>Unsecured</i> |               |
| Trade payables   | 30,562        |
|                  | <b>30,562</b> |

## Note 6 Share capital

|                                                                       | Number of<br>Shares | At 30 Jun 2021<br>\$ |
|-----------------------------------------------------------------------|---------------------|----------------------|
| Ordinary Shares                                                       | 20,000,000          | 20,000               |
| Share capital received for shares to be issued<br>post reporting date |                     | 700,000              |
| Total Share Capital                                                   |                     | <b>720,000</b>       |

|                                                                                     |                     |                                     |
|-------------------------------------------------------------------------------------|---------------------|-------------------------------------|
| <b>a. Ordinary Shares</b>                                                           | Number of<br>Shares | 24 Jun 2021<br>to 30 Jun 2021<br>\$ |
| Opening Balance 24 June                                                             | -                   | -                                   |
| Shares issued during the period                                                     |                     |                                     |
| - Initial share issue <sup>i</sup>                                                  | 20,000,000          | 20,000                              |
| Share capital received for shares to be issued<br>post reporting date <sup>ii</sup> |                     | 700,000                             |
| Closing Balance 30 June 2021                                                        | <b>20,000,000</b>   | <b>720,000</b>                      |

Shares of the company were issued during the period on the following basis:

- i. 20,000 shares issued on incorporation.

Shares of the company to be issued post reporting date are to be issued on the following basis:

- ii. The Company is currently undertaking seed capital raising for 20,000,000 shares to be issued at \$0.10 each to raise a total \$2,000,000. In the period to 30 June 2021 the Company had received \$700,000. A further \$1,300,000 has been received post period end prior to the date of this report.

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

## Notes to the financial statements

For the period ended 30 June 2021

### Note 6 Issued capital (continued)

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

### Capital Management

Management manages the Company's capital by assessing the Company's cash flow and capital requirements and responding to those needs. These responses include management of capital projects, future acquisition of mineral licences and reduction of expenditure.

### Note 7 Financial Risk Management

#### a. Financial Risk Management Policies

The Board's objective when managing capital is to maintain a strong capital base so as to safeguard the Company's ability to continue as a going concern. This note presents information about the Company's exposure to each of the below risks, its objectives, policies, and procedures for measuring and managing risk, and the management of capital.

The Company's financial instruments include cash, short term deposits, accounts payable and other receivables.

The Company does not speculate in the trading of derivative instruments.

A summary of the Company's Financial Assets and Liabilities is shown below:

| Subsidiary                                      | Floating<br>Interest Rate<br>\$ | Fixed Interest<br>Rate<br>\$ | Non-interest<br>Bearing<br>\$ | Total<br>\$    |
|-------------------------------------------------|---------------------------------|------------------------------|-------------------------------|----------------|
| <b>Financial Assets at amortised cost:</b>      |                                 |                              |                               |                |
| Cash and cash equivalents                       | 500,000                         | -                            | -                             | 500,000        |
| Trade and other receivables                     | -                               | -                            | 204,726                       | 204,726        |
| Total Financial Assets                          | <b>500,000</b>                  | <b>-</b>                     | <b>204,726</b>                | <b>704,726</b> |
| <b>Financial Liabilities at amortised cost:</b> |                                 |                              |                               |                |
| Trade and other payables                        | -                               | -                            | 30,562                        | 30,562         |
| Total Financial Liabilities                     | -                               | -                            | 30,562                        | 30,562         |
| Net Financial Assets/(Liabilities)              | <b>500,000</b>                  | <b>-</b>                     | <b>174,164</b>                | <b>674,164</b> |

#### b. Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate and equity price risk. However, the sole material risk at the present stage of the Company is liquidity risk.

The Board of Director's has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing risks for the Company and setting appropriate risk limits and controls. The Company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

## Notes to the financial statements

For the period ended 30 June 2021

### Note 7 Financial Risk Management (continued)

#### i. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material credit risk.

#### ii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Company include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date with the exception of the unsecured loan.

#### *Contractual Maturities*

The following are the contractual maturities of financial liabilities of the Company:

|                                               | Within 1 year  | Greater than 1<br>year | Total          |
|-----------------------------------------------|----------------|------------------------|----------------|
|                                               | \$             | \$                     | \$             |
| <b>Financial liabilities due for payment:</b> |                |                        |                |
| Trade and other payables                      | 30,562         | -                      | 30,562         |
| Total Financial Assets                        | 30,562         | -                      | 30,562         |
| <b>Financial Assets:</b>                      |                |                        |                |
| Cash and cash equivalents                     | 500,000        | -                      | 500,000        |
| Trade and other receivables                   | 204,726        | -                      | 204,726        |
|                                               | 704,726        | -                      | 704,726        |
| Net inflow/(outflow) on financial instruments | <b>674,164</b> | -                      | <b>674,164</b> |

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

## Notes to the financial statements

For the period ended 30 June 2021

### Note 7 Financial Risk Management (continued)

#### iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material market risk.

#### iv. Sensitivity Analysis

Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material financial risk sensitivities.

#### v. Net Fair Values

The fair values of financial assets and financial liabilities are presented in the table below and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

|                               | Note | Carrying<br>Amount<br>\$ | Fair Value<br>\$ |
|-------------------------------|------|--------------------------|------------------|
| <b>Financial Assets:</b>      |      |                          |                  |
| Cash and cash equivalents     | 3a   | 500,000                  | 500,000          |
| Trade and other receivables   | 4    | 204,726                  | 204,726          |
|                               |      | <u>704,726</u>           | <u>704,276</u>   |
| <b>Financial liabilities:</b> |      |                          |                  |
| Trade and other payables      | 5    | 30,562                   | 30,562           |
| Total Financial Assets        |      | <u>30,562</u>            | <u>30,562</u>    |

Financial instruments whose carrying value is equivalent to fair value due to their nature include

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

### Note 8 Contingent assets and liabilities

The company has no contingent assets or liabilities as at 30 June 2021.

## Notes to the financial statements

For the period ended 30 June 2021

### Note 9 Events subsequent to reporting date

The financial report was authorised for issue on 10 May 2022 by the Directors. The following significant events have arisen since the end of the period.

#### a. Share Issues

As part of the Company's pre-IPO capital raising, seed capital shares will be issued subsequent to year end. As at the date of this report, these shares have not been issued. Funds received to date have been recorded as share capital on the Statement of Financial Position. The proposed seed capital raising is for 20,000,000 shares issued at \$0.10 each to raise a total \$2,000,000. As at the date of this report \$2,000,000 has been raised.

#### b. Application for quotation on the Australian Securities Exchange

The Company is currently in the early stages of applying for quotation on the Australian Securities Exchange (ASX). The Company has lodged its suitability application ahead of a proposed listing on the ASX. The proposed capital raising is for 75,000,000 shares issued at \$0.20 each to raise a total of \$15,000,000.

#### c. Acquisition of Capricorn Orogen Pty Ltd

On 14 September 2021, the Company entered into a Share Sale Agreement with Mining Investments Australia Pty Ltd, pursuant to which the Company will have a conditional right to acquire 100% of the issued capital in Capricorn Orogen Pty Ltd which holds, and is entitled to explore and mine, certain tenements in the Gascoyne region of Western Australia. As at the date of this report, settlement is yet to occur.

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### Note 10 Key Management Personnel compensation (KMP)

The names and positions of KMP in office at 30 June 2021 are as follows:

- |                          |                                                 |
|--------------------------|-------------------------------------------------|
| • Brian Bernard Rodan    | Managing Director (appointed 24 June 2021)      |
| • Philip Michael Greaney | Non-Executive Director (appointed 24 June 2021) |
| • Paul Anthony Heatley   | Non-Executive Director (appointed 24 June 2021) |

|                              | 24 Jun 2021<br>to 30 Jun 2021<br>\$ |
|------------------------------|-------------------------------------|
| Short-term employee benefits | -                                   |
| Post-employment benefits     | -                                   |
| Other long-term benefits     | -                                   |
| Termination benefits         | -                                   |
| Share-based payments         | -                                   |
| Total                        | -                                   |

# Notes to the financial statements

For the period ended 30 June 2021

## Note 10 Key Management Personnel compensation (KMP) (continued)

### a) Shareholdings

The number of shares in the Company held during the financial year by the key management personnel of Augustus Copper Limited, including their related parties is set out below.

|                   | Balance at<br>24 June 2021 | Received as<br>Compensation | Issued on<br>incorporation <sup>i</sup> | Other net<br>change | Balance at<br>30 June 2021 |
|-------------------|----------------------------|-----------------------------|-----------------------------------------|---------------------|----------------------------|
| <b>Directors:</b> |                            |                             |                                         |                     |                            |
| Brian Rodan       | -                          | -                           | 20,000,000                              | -                   | 20,000,000                 |
| Johnathon Busing  | -                          | -                           | -                                       | -                   | -                          |
| Paul Heatley      | -                          | -                           | -                                       | -                   | -                          |

i. Shares issued upon incorporation of the Company at an issue price of \$0.001 per share.

## Note 11 Related party transactions

Transactions between parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Related party transactions with Augustus Copper Ltd are listed below:

|                                                                                                                         | 24 Jun 2021<br>to 30 Jun 2021<br>\$ | Amounts<br>outstanding at<br>30 Jun 2021<br>\$ |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------|
| <b>Halifax Advisory Pty Ltd:</b>                                                                                        |                                     |                                                |
| Halifax Advisory Pty Ltd, a business controlled by Mr Paul Heatley, provides business consulting and advisory services. |                                     |                                                |
| Fees expensed during the period                                                                                         | 740                                 | 740                                            |

## Note 12 Company details

The registered office of the company and principal place of business is:

Address: Level 2 41-43 Ord Street  
West Perth WA 6005

## Directors' Declaration

The Directors have determined that the Company is a reporting entity and that this general-purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 27, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards as described in Note 1 to the financial statements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
  - b. give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



BRIAN RODAN

Managing Director

Dated this 10th day of May 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUGUSTUS COPPER LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Augustus Copper Limited ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the period then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.1a.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Other Information

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

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

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

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

## 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 Note 1.1a, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

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

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company 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, related safeguards.

*Hall Chadwick*

**HALL CHADWICK WA AUDIT PTY LTD**

*Mark Delaurentis*

**MARK DELAURENTIS CA**  
**Director**

Dated Perth, Western Australia this 10<sup>th</sup> day of May 2022