LACHLAN MINERALS PTY LTD

ACN: 629 795 339

Financial Report For The Year Ended 30 June 2021

LACHLAN MINERALS PTY LTD

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Your directors present their report on Lachlan Minerals Pty Ltd (the “Company”) for the year ended 30 June 2021.

Directors

The names of the directors in office at any time during, or since the end of, the year are as follows. Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Vern Tidy
Mark Arundell
Tony Polglase
Scott Funston

Principal Activities

The principal activity of the Company during the year was the exploration for minerals. No significant change in the nature of these activities occurred during the year.

Review of Operations

The loss of the Company for the financial year after providing for income tax amounted to $42,506.

Significant Changes in the State of Affairs

On 1 April 2021, 8,889 fully paid ordinary shares were issued at $1 each.

In relation to COVID-19 business impacts the Board has undertaken a review of the risk assessment in respect of COVID 19 and has determined that the restrictions imposed have minimal or no impact to business operations. The Board is continuing to monitor the situation and will update as required."

Other than stated above, no significant changes in the Company’s state of affairs occurred during the financial period.

Events Subsequent to the End of the Reporting Period

On 13 July 2021 $20,000 in security deposits was refunded by the Department of Regional NSW, Mining, Exploration and Geoscience for tenements that had been relinquished prior to the balance sheet date. These funds were primarily used to pay creditors and accruals.

On 7 September 2021 $33,333 in shareholder loans were converted to fully paid ordinary shares issued at a price of $1 per share.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends were paid or declared since the start of the financial year.

Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer of the Company.

Proceedings on Behalf of 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.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 4.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

Vernon Tidy
Director
19 September 2021

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF LACHLAN MINERALS PTY LTD

As lead auditor of Lachlan Minerals Pty Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Lachlan Minerals Pty Ltd.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 19 September 2021

LACHLAN MINERALS PTY LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Interest income		2	5
Corporate		(19,640)	(5,726)
Project expenditure	3	(22,866)	(10,088)
Loss before tax		(42,506)	(15,814)
Income tax expense		-	-
Loss for the period		(42,506)	(15,809)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to the members		(42,506)	(15,809)

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

LACHLAN MINERALS PTY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,450	3,210
Other receivables		-	46
TOTAL CURRENT ASSETS		2,450	3,256
NON-CURRENT ASSETS			
Other assets	6	70,000	50,000
TOTAL NON-CURRENT ASSETS		70,000	50,000
TOTAL ASSETS		72,450	53,256
CURRENT LIABILITIES			
Trade creditors and accruals	7	39,478	10,000
TOTAL CURRENT LIABILITIES		39,478	10,000
NON-CURRENT LIABILITIES			
Loans	8	33,333	10,000
TOTAL NON-CURRENT LIABILITIES		33,333	10,000
TOTAL LIABILITIES		72,811	20,000
NET ASSETS		361	33,256
EQUITY			
Issued capital	9	88,893	80,004
Accumulated losses		(89,254)	(46,748)
TOTAL EQUITY		361	33,256

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

	Note	Issued Capital $	Accumulated Losses $	Total $
Company				
Balance at 1 July 2020		80,004	(46,748)	33,256
Loss for the year		-	(42,506)	(42,506)
Total comprehensive loss for the year		-	(89,254)	(89,254)
Equity transactions:				
Issue of fully paid ordinary shares		8,889	-	8,889
Balance at 30 June 2021	9	**88,893**	**(89,254)**	**361**

	Issued Capital $	Accumulated Losses $	Total $
Company			
Balance at 1 July 2019	60,003	(30,938)	29,065
Loss for the year	-	(15,809)	(15,809)
Total comprehensive loss for the year	-	(15,809)	(15,809)
Equity transactions:			
Issue of fully paid ordinary shares	20,001	-	20,001
Balance at 30 June 2020	**80,004**	**(46,748)**	**33,256**

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

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest income		2	5
Payments to suppliers and employees		404	(767)
Payments for exploration and evaluation		(13,388)	(10,089)
Net cash used in operating activities		(12,982)	(10,851)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		8,889	20,001
Payment of security deposits		(20,000)	(20,000)
Proceeds from borrowings		23,333	10,000
Net cash provided by financing activities		12,222	10,001
Net increase/(decrease) in cash held		760	(850)
Cash and cash equivalents at 1 July		3,210	4,060
Cash and cash equivalents at balance date	**5**	**2,450**	**3,210**

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

1. CORPORATE INFORMATION

Lachlan Minerals Pty Ltd is a company limited by shares incorporated on 2 November 2018 and domiciled in Australia.

The Company is principally engaged in the business of mineral exploration in Australia. The registered office and principal place of business of the Company is, 915 Forest Road, Springside, NSW.

The financial statements of the Company for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 30 August 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Stock Exchange. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accrual basis of accounting including the historical cost convention.

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

As at 30 June 2021, the company had a cash and cash equivalent balances of $2,450 (30 June 2020 of $3,210), had a Trade and Other payables balance of $39,478 (30 June 2020 of $10,000) and a net working capital deficiency of ($37,020) (30 June 2020 of ($6,790)).

The ability of the company to continue as a going concern is dependent on the IPO of the Company on the ASX, continued shareholder support and the raising of capital as and when required for working capital purposes.

These conditions indicate a material uncertainty that may cast a significant doubt about the company's ability to continue as a going concern and there, that may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe that as at the date of this report that there are reasonable grounds to believe that the company will continue as a going concern for the following reasons:

- The Company intend to IPO on the ASX in the foreseeable future;
- The Company has previously had access to financial support of its shareholders via placements and loans;
- The Company has the ability to farm out participating interests in existing tenements;
- Continued financial support from the shareholders of the company; and
- The Company believes it has the ability to raise additional capital.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Both the functional and presentation currency of the Company is in Australian dollars.

(b) New accounting standards and interpretations

The Company has adopted all new accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning 1 July 2020. The adoption of these new and revised standards and interpretations did not have any effect on the financial position or performance of the Company.

Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the reporting period ended 30 June 2021. The Directors have not early adopted any of these new or amended standards or interpretations. The Directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Company) and interpretations.

(c) Revenue recognition

Interest

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

(d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(e) Trade and other receivables

Trade receivables, which generally have 30 – 120 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable.

Other receivables are recognised and carried at the nominal amount due.

(f) Income tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry- forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(g) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Exploration and evaluation expenditure
Exploration and evaluation expenditure in relation to all areas of interest, including acquisition costs, are expensed as incurred.

(i) Trade and other payables
Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Loans and borrowings
All loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(k) Contributed equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Critical accounting judgements and estimates
The preparation of financial statements requires the use of certain critical accounting judgements and estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

3. PROJECT EXPENDITURE

	2021 $	2020 $
Project expenditure consist of:		
- Application costs	4,932	6,141
- Tenement rents and rates	17,934	2,780
- Assays	-	1,078
- Other	-	89
Total corporate expenses	22,866	10,088

4. INCOME TAX EXPENSE

The prima facie tax on loss before income tax is reconciled to the income tax as follows:

	2021 $	2020 $
Loss before income tax	(42,506)	(15,809)
Income tax calculated at 30%	(12,752)	(4,743)
Future income tax benefit not brought to account	12,752	4,743
Income tax expense	-	-

5. CASH AND CASH EQUIVALENTS

(a) Carrying value

	2021 $	2020 $
Cash at bank and on hand	2,450	3,210

(b) Reconciliation of loss after income tax to net cash from operating activities

	2021 $	2020 $
Loss for the period	(42,506)	(15,809)
Movement in assets and liabilities:		
(Increase)/Decrease in other receivables	46	(42)
Increase/(Decrease) in trade and other payables	29,478	5,000
Net cash used in operating activities	(12,982)	(10,851)

6. OTHER ASSETS

	2021 $	2020 $
Balance at the end of the period	70,000	50,000

This amount represents security deposits held by the Department of Regional NSW, Mining, Exploration and Geoscience.

7. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables and accruals	39,478	10,000

8. LOANS

	2021 $	2020 $
Balance at the end of the period	33,333	10,000

During the year, shareholders advanced the Company a total of $23,333. The loan is non-interest bearing and repayable on demand.

9. ISSUED CAPITAL

(a) Issued Capital

	2021 $	2020 $
Fully paid ordinary shares	88,893	80,004

(b) Movement in ordinary share capital of the Company:

Date	Details	No. of Shares	Issue Price	$
1/7/2019	Opening balance	60,003		60,003
28/10/19	Issue of fully paid ordinary shares	20,001	$1	20,001
30/6/2020	Closing balance	80,004		80,004
01/04/2021	Issue of fully paid ordinary shares	8,889	$1	8,889
30/06/2021	Closing balance	88,893		88,893

10. COMMITMENTS AND CONTINGENCIES

As at 30 June 2021 there were no contingent liabilities or contingent assets.

At 30 June 2021, the Group has the following commitments relating to retaining the licensed area of the group's tenements.

(a) Exploration commitments

	2021 $
Within one year	17,900
After one year but not more than five years	-
Longer than five years	-
	17,900

11. EVENTS AFTER THE REPORTING PERIOD

On 13 July 2021 $20,000 in security deposits was refunded by the Department of Regional NSW, Mining, Exploration and Geoscience for tenements that had been relinquished prior to the balance sheet date. These funds were primarily used to pay creditors and accruals.

On 7 September 2021 $33,333 in shareholder loans were converted to fully paid ordinary shares issued at a price of $1 per share.

There have been no other events subsequent to the financial period end that will affect the results as disclosed in this report.

LACHLAN MINERALS PTY LTD

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Lachlan Minerals Pty Ltd, the directors of the Company declare that:

In the opinion of the directors:

(a) the Company is not a reporting entity as defined in the Australian Accounting Standards;

(b) the financial statements and notes are in accordance with the company's constitution and;

(c) there are reasonable grounds to believe that the Company and the Company will be able to pay its debts as and when they become due and payable as set out in note 2a.

On behalf of the Board

Vernon Tidy
Director
19 September 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Lachlan Minerals Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lachlan Minerals Pty Ltd (the Entity), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and managements' assertion statement.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 2.

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

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Emphasis of matter – Basis of accounting

We draw attention to Note 2(a) to the financial report, which describes the basis of accounting. The financial report has been prepared as requested by the Board of Directors. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 2(a) is appropriate to meet the requirements of the Australian Stock Exchange and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

BDO

JPrue

Jarrad Prue

Director

Perth, 19 September 2021