



ACN: 652 408 378
ABN: 31 652 408 378

True North Copper Pty Ltd

FINANCIAL REPORT FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022



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CORPORATE DIRECTORY

Directors

Peter Main (appointed on 29 July 2021, resigned 7 December 2022)

Martin Costello (appointed 19 September 2022)

Timothy Dudley (appointed 7 December 2022)

Company Secretary

Peter Main (appointed on 29 July 2021, resigned 7 December 2022)

Rajesh Padmanabhan (appointed 8 December 2022)

Registered Office

Level 2, 9 Havelock Road

West Perth WA 6005

Principal Place of Business

Level 9, Citi Central Tower

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Cairns City QLD 4870

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Share Register

N/A

Auditor

Stantons

Level 2, 40 Kings Park Road

West Perth, WA 6005 Australia

True North Copper Pty Ltd
ACN: 652 408 378

DIRECTORS' REPORT

For the period from 29 July 2021 (date of incorporation) to 30 June 2022

True North Copper Pty Ltd (the "Company", "True North Copper") is a proprietary company limited by shares incorporated on the 29 July 2021 and domiciled in Australia.

The directors present their report, together with the financial statements of the Company for the financial period from 29 July 2021 (date of incorporation) to 30 June 2022.

Information on directors

The following persons were Directors of the True North Copper Pty Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Peter Main (appointed on 29 July 2021, resigned 7 December 2022)
Martin Costello (appointed 19 September 2022)
Timothy Dudley (appointed 7 December 2022)

Company secretary

The following persons held the position of Company Secretary of the True North Copper Pty Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Peter Main (appointed on 29 July 2021, resigned 7 December 2022)
Rajesh Padmanabhan (appointed 8 December 2022)

Principal activities

The principal activity of the Company during the financial period was acquisition of Great Australian Mines from Round Oak Minerals Pty Ltd at Cloncurry, Australia. There was also a strong focus on building a sustainable mid-tier copper producing business for the future.

Being the first year of operation, there were no significant changes in the nature of the Company's activity occurred during the financial period.

Operating results

The loss of the Company after providing for income tax amount to \$3,711,592.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Review of operations

The company (TNC) entered into an Asset Sale Agreement with Round Oak Minerals Pty Ltd, Exco Resources Pty Ltd and Exco Resources (QLD) Pty Ltd on 31 July 2021 for purchase of assets and mining tenements as outlined in the agreement. The key terms of the agreement are as follows:

- **Cash Purchase Price:** The cash consideration is \$7,000,000 (cash consideration) and

- is to be paid to Round Oak Minerals as follows:
 - On Completion of the agreement or transfer of the assets: \$800,000 (paid on 10 June 2022);
 - On Completion of the agreement for the freehold land: \$200,000 (paid on 10 June 2022);
 - The balance of \$6,000,000 is treated as a deferred cash payment and payments are triggered accordingly to agreed terms;
 - The first payment will be triggered when the buyer (TNC) achieves production of a commercially saleable quantity of ore from the any of the tenements, the buyer must pay to Round Oak Minerals Pty Ltd the sum of \$1,000,000;
 - Upon achieving six months of continuous production of a commercially saleable quantity of ore from any of the tenements, the buyer (TNC) must pay immediately to Round Oak Minerals Pty Ltd the sum of \$2,000,000 and so on until the deferred cash payment is paid in full; and
 - The aggregate amounts payable by the company (TNC) is capped at \$6,000,000.
- **Assets Purchased:** The list of assets purchased by the company (TNC) is as follows:
 - The tenements;
 - The environmental authorities;
 - The mining information;
 - The records;
 - The benefit of the contracts;
 - The plant and equipment being:
 - Cloncurry Gold Carbon in Leach (CIL) Processing Plant (Gold Plant);
 - Cloncurry Copper Processing Plant (Copper Plant) comprising:
 - I. Floatation plant;
 - II. Agglomeration equipment;
 - III. Crystal plant;
 - IV. SX plant;
 - Associated stores and critical spares inventory for the Gold Plant and Copper Plant;
 - Mobile equipment including motor vehicles;
 - Other miscellaneous plant and equipment owned by the Seller and; located on the tenements including those set out in more detail in the fixed asset register; and
 - Prepayments made by a Seller before completion (or before sub-block completion in respect of the Sub-Block Completion Sale assets) and the stock.

The agreement had conditions precedent for completion and some of them are listed below:

- **FIRB approval:** The Buyer has received a written notice under the Foreign Acquisitions and Takeovers Act 1975 (Cth), by or on behalf of the Treasurer of the Commonwealth of Australia stating or to the effect that the Commonwealth Government does not object to the transactions contemplated by this agreement, either unconditionally or on terms that are acceptable to the Buyer;
- **Indicative approvals:** Indicative approvals for the transfer of each tenement (other than in respect of the Replacement EPM) held by the Sellers to the Buyer have been received under the Mining Act and are on terms satisfactory to both the Sellers and the Buyer and continue to remain valid as at completion and have a period of no less than 10 business days before the prior indication will cease to be valid for the purposes of registering the assessable transfers;
- **Buyer to provide replacement bank guarantees or cash deposit** - \$25,000 in favour of Cloncurry Shire Council under the Notifiable Road use condition; and

- **FA bank guarantees-** not exceeding \$16,578,481 and comprising: \$12,749,866 in relation to Environmental Authority No. EPML00876013; and \$3,828,615 in relation to Environmental Authority No. EPML00941713): - the Buyer or Buyer Guarantor enters into a facility or facilities, on terms and conditions satisfactory to the Sellers, to provide financial assurance that enables the FA bank guarantees to be replaced with effect on and from completion and for the transfer of the tenements.

All of these conditions, except for the cash deposit with Cloncurry Shire Council have been met during the period ended 30 June 2022. The cash deposit was provided to Cloncurry Shire Council on 17 November 2022.

The company also entered into Property Sales Agreement for the purchase of Freehold Property Lot 2 on RP 724528, Roxmere Road Cloncurry. The purchase price of \$200,000 is in addition to the consideration payable under the Asset Sale Agreement. Stamp duty was separately payable for the freehold land.

Future Payments

Royalty: - The royalty payable by the company to the Round Oak Minerals Pty Ltd under the Royalty Deed (executed on 14 June 2022) and is calculated by multiplying the Net Smelter Return by 2%. The payment is due within 40 days of the end of each quarter in which the company receives gross revenue.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the financial period.

Matter or circumstances arising after the end of the year

Changes in Board Members

Following the completion of the financial year, there have been several changes in appointments to the Board of Directors of the Company.

- Appointment of Martin Costello as Executive Director of the Company on 19 September 2022
- Appointment of Tim Dudley as a Non-Executive Director of the Company on 7 December 2022
- Resignation of Peter Main as a Director and Company Secretary on 7 December 2022
- Appointment of Rajesh Padmanabhan as a Company Secretary on 8 December 2022

Changes in Shareholder Structure

True North Copper Pty Ltd was owned by Catalpa Management Pty Ltd ACN 652 711 996 (15,000,000 shares @ 15%) and Tennant Consolidated Mining Group Pty Ltd ACN 645 263 547 (85,000,000 @ 85%) until 17 September 2022.

On 17 September 2022, both Catalpa Management and Tennant Consolidated Mining Group divested or transferred their shares to the following entities/persons:

Entity/Individual	Shares
TA Private Capital Security Agent	31,018,260
Bronco Dino Pty Ltd - Bronco Dino No2 Trust	7,976,928
Andrew Alexander Fantela	2,410,295
The Morton Family Trust	4,591,037
The Petkar Trust	7,976,928
Tennant Resources Pty Ltd	568,229
Tembo Capital Holdings UK Limited	45,458,323
Total	100,000,000

On 10 November 2022, the company entered into a convertible loan agreement with Tembo Capital Holding UK Limited to fund the operations under the following terms and conditions:

- The commitment amount (loan amount) of \$6,000,00 was to be converted into equity shares in either full or part as agreed upon;
- Interest at a rate of 10% would be payable each quarter; and
- Full repayment of the loan: within 12 months from the date of the agreement.

Pursuant to the agreement the Company (TNC) received \$6,000,000 from Tembo Capital Holdings UK Limited on 15 November 2022 and on 16 December 2022 Tembo Capital Holdings UK Limited exercised the option to convert \$4,500,000 of loan amount along with interest to ordinary equity shares in the Company at \$0.07 per share. Accordingly, Tembo Capital Holdings UK Limited were allotted 64,831,702 shares on 16 December 2022 by the Board of Directors vide their meeting held on 16 December 2022.

Consequent to the conversion the revised share holdings is as follows:

Entity/Individual	Shares
TA Private Capital Security Agent	31,018,260
Bronco Dino Pty Ltd - Bronco Dino No2 Trust	7,976,928
Andrew Alexander Fantela	2,410,295
The Morton Family Trust	4,591,037
The Petkar Trust	7,976,928
Tennant Resources Pty Ltd	568,229
Tembo Capital Holdings UK Limited	110,290,025
Total	164,831,702

Share Sales Agreement with CopperCorp Pty Ltd on 22 September 2022

TNC has entered into a conditional agreement to purchase 100% of the shares in CopperCorp Pty Ltd ("CopperCorp"). Via its subsidiary, North West Copper Pty Ltd, CopperCorp holds several clusters of exploration and mining tenements located near Cloncurry, Queensland.

The share purchase agreement ("SPA") was fully executed on 22 September 2022; however, the SPA is subject to a number of conditions precedent that have not yet been satisfied as at the date of this report. These include restructuring of asset holdings by CopperCorp (involving the deregistration of two existing subsidiaries), and various internal and external approvals. More detail is provided below in the notes to the financial statements.

Asset Sale Agreement – Mount Oxide Project - With Mount Oxide Pty Ltd and Perilya Freehold Mining Pty Ltd

On 5 August 2022, TNC has entered into a conditional agreement with Mount Oxide Pty Ltd and Perilya Ltd and its subsidiaries to purchase exploration tenements located near Cloncurry, Queensland, together with associated assets, authorisations and mining information. More detail is provided below in the notes to the financial statements.

Equipment Hire Agreement (Gold Processing Plant) with Tombola Tenements Pty Ltd

TNC has entered into an equipment hire agreement with Tombola Tenements Pty Ltd ACN 660 792 889 ("Tombola"), which allows Tombola to use the Great Australia Mine gold processing plant for the processing of mineral ore.

The agreement was executed on 16 October 2022 and is currently in force at the date of this report with an expiry date (including decommissioning of the plant following completion of use) of 15 March 2023. More detail is provided below in the notes to the financial statements.

Asset Sale Agreement between TNC and Tombola Tenements Pty Ltd and Tombola Gold

On 15 September 2022, TNC has entered into an asset sale agreement ("ASA") with Tombola Tenements Pty Ltd ACN 660 792 889 ("Tombola") under which:

- (1) two tenements purchased from Round Oak in 2022 will be transferred to Tombola;
- (2) contractual rights in respect of gold resources on two tenements purchased from Round Oak in 2022 will be granted to Tombola; and

- (3) contractual rights in respect of a tenement that were granted to TNC by Round Oak under an Access and Mineral Rights Agreement will be novated to Tombola.

The ASA was executed on 15 September 2022; however, the ASA is subject to a number of conditions precedent that have not yet been satisfied as at the date of this report. These include the de-amalgamation of an environmental authority to allow transfer of one of the tenements to Tombola, and the execution of replacement royalty agreements with Round Oak that reflect the changed ownership and access rights in respect of the tenements. More detail is provided below in the notes to the financial statements.

Share Purchase Agreement with Duke Exploration (ASX:DEX)

Duke Exploration (ASX: DEX) has signed a *non-binding term sheet* to acquire a portfolio of Queensland Copper assets held by True North Copper Pty Ltd (TNC). The ASX may treat the transaction as a reverse takeover (RTO) as the assets being acquired are significantly larger than Duke's assets.

The Share Purchase Agreement is still in draft stage and there are number of conditions precedent to completion and the most significant being approval from Foreign Investment Review Board (FIRB) and TNC's ability to raise \$10M as Pre-IPO capital.

As of this date Morgans Financial Limited have received firm commitments from investors to invest a total of \$10m into True North Copper at \$0.14/share. The Settlement is conditional upon ASX approval of RTO into Duke Exploration and transaction being announced by Duke Exploration.

Environmental regulation

The Company's operations are regulated by the Environmental Protection Act 1994 (QLD). Other than as part of the standard conditions attaching to its Exploration and Mining Licences, the Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

The government issues Environmental Authorities ("EA's"), covering each Exploration or mining lease. An EA can cover one or more leases.

The Company currently holds nine EA's:

- EPML00876013 (Great Australian Mine – ML90065/ ML90108);
- EPML00941713 (Wallace/Wynberg – ML90236/ML100077/ML100111);
- EPSX00042813 (EPM12409);
- EPSX00346813 (EPM13137);
- EPSX00377013 (EPM18538);
- EPSX00858113 (EPM14295);
- EPSX04400816 (EPM26371);
- EPSX00282913 (EPM11675); and
- EPSL00075713 (ML2695).

The director confirms that the Company holds an EA for each of the above Exploration Permit Minerals (EPM) and all are current and in good standing.

Risks

There are specific risks associated with the activities of the Company and general risks which are largely beyond the control of the Company and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Company.

All mining ventures are exposed to risks and the Company continues to monitor risks associated with current projects whilst also analysing the risks associated with any new opportunities.

The below risks are not exhaustive but are the minimum exposure areas observed by the Company. These risks may cover such areas as:

Economic

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and possible production activities, as well as on its ability to fund those activities.

Climate change

The Company recognises that physical and non-physical impacts of climate change may affect assets, productivity, markets, and the community. Risks related to the physical impacts of climate change include the risks associated with increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns. Non-physical risks and opportunities arise from a variety of policy, legal, technological and market responses to the challenges posed by climate change and the transition to a lower carbon world.

Title risk

This may specifically cover mining tenure whereby specific mining laws and legislation apply. These risks may include economic, social or exploration licensing, land access and environmental regulation, mine safety and labour relations etc.

Exploration risk

The Directors of the Company realise that mineral exploration and development are high risk undertakings due to the high level of inherent uncertainty. There can be no assurance that exploration of the Company's tenements, or of any other tenements that may be acquired by the Company in the future, will result in the discovery of economic mineralisation. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.

Any future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

Environmental risks

The operations and proposed activities of the Company are subject to each project's jurisdiction, laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Future legislation and regulations governing exploration, development and possible production may impose significant environmental obligations on the Company.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potential economically viable mineral deposits. The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals or to obtain them on terms acceptable to the Company may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations, or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition, and results of operations.

Resource estimates

The Company's projects may contain JORC Code compliant resources. There is no guarantee that a JORC Code compliant resource will be discovered on any of the Company's other tenements. Resource estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations and the value of the Company's listed shares.

Access risks - Cultural heritage and native title

The Company must comply with various specific cultural heritage and native title legislation including access agreements which require various commitments, such as base studies and compliant survey work, to be undertaken ahead of the commencement of mining operations.

It is possible that some areas of those tenements may not be available for exploration due to cultural heritage and native title legislation or invalid access agreements. The Company may need to obtain the consent of the holders of such interests before commencing activities on affected areas of the tenements. These consents may be delayed or may be given on conditions which are not satisfactory to the Company.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company does not have any significant credit risk exposure at this stage.

Liquidity risks

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the Company's current and future operations. The Company believes that all outstanding payables can be paid when due and there are no past due payables as at the balance date.

Commodity price risk

At 30 June 2022, the Company does not have any financial instruments subject to commodity price risk. However, the Company notes price fluctuations impact the potential commercial exploitation.

Foreign currency risk

At 30 June 2022, the Company is not exposed to foreign exchange currency risk at balance date.

Indemnity and insurance of the auditor

The Company has not, during the end of the financial period, indemnified or agreed to indemnify the auditor of the Company against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company.

Proceedings on behalf of the Company

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at the end of the Notes to the Financial Statements.

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

On behalf of the Directors



Martin Costello
Date 17 February 2023

True North Copper Pty Ltd

ACN: 652 408 378

ABN: 31 652 408 378

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001; and
 - (a) Comply with Australian Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001;
 - (b) Give a true and fair view of the financial position as at 30 June 2022 and of its performance for the financial period from 29 July 2021 (date of incorporation) to 30 June 2022; and
 - (c) Comply with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. In the directors' opinions 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 approved by the Directors.

Signature:



Directors: Martin Costello

Date: 17 February 2023

True North Copper Pty Ltd

ACN: 652 408 378

Statement of Profit or Loss and Other Comprehensive Income
For the period from 29 July 2021 (date of incorporation) to 30 June 2022

		29 July 2021 to 30 June 2022
	Note	\$
Administrative expenses	2	163,770
Employee benefits expense		13,350
Project expenditure		136,233
Other expenses	2	94,240
Transaction expenses	2	1,093,448
Finance expenses	3	2,210,551
Loss before income tax		3,711,592
Income tax expense	4	-
Loss for the period		3,711,592
Other comprehensive income, net of income tax		-
Total comprehensive loss for the period		3,711,592

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

True North Copper Pty Ltd**ACN: 652 408 378****Statement of Financial Position****As at 30 June 2022**

	Note	30 June 2022 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5	53,439
GST Receivable		356,568
Deposits	6	153,000
Prepayments	7	524,443
TOTAL CURRENT ASSETS		1,087,450
NON-CURRENT ASSETS		
Property, plant and equipment	8	200,000
Exploration, evaluation and development assets	9	6,800,000
TOTAL NON-CURRENT ASSETS		7,000,000
TOTAL ASSETS		8,087,450
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	10	286,483
Employee benefits	11	3,818
Accrued Expenses	12	221,708
Loan from parent company	13	5,286,933
TOTAL CURRENT LIABILITIES		5,798,942
NON-CURRENT LIABILITIES		
Deferred Payments	14	6,000,000
TOTAL NON-CURRENT LIABILITIES		6,000,000
TOTAL LIABILITIES		11,798,942
NET LIABILITIES		(3,711,492)
EQUITY		
Issued capital		100
Accumulated losses		(3,711,592)
TOTAL EQUITY		(3,711,492)

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

True North Copper Pty Ltd

ACN: 652 408 378

Statement of Changes in Equity

For the period from 29 July 2021 (date of incorporation) to 30 June 2022

2022

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 29 July 2021 (date of incorporation)	100		100
Total other comprehensive loss for the period		(3,711,592)	(3,711,592)
Balance at 30 June 2022	100	(3,711,592)	(3,711,492)

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

True North Copper Pty Ltd

ACN: 652 408 378

Statement of Cash Flows

For the period from 29 July 2021 (date of incorporation) to 30 June 2022

	Note	29 July 2021 to 30 June 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees		(4,225,383)
Interest paid		(8,211)
Net cash (used in) operating activities	18	<u>(4,233,594)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment		(200,000)
Payments for exploration and evaluation		(800,000)
Net cash (used in) investing activities		<u>(1,000,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issue of shares		100
Loans provided by the parent company		5,286,933
Net cash provided by financing activities		<u>5,287,033</u>
Net increase/(decrease) in cash and cash equivalents held		53,439
Cash and cash equivalents at beginning of financial period		-
Cash and cash equivalents at end of financial period	5	<u><u>53,439</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

1. Basis of preparation

a) Statement of compliance

The financial statements are general-purpose financial statements that have been prepared in accordance with the requirements of the Corporation Acts 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

b) Basis of measurement

The financial statements have been prepared on an accrual basis and are based on historical costs unless stated otherwise. The financial statements are presented in Australian dollars.

c) Adoption of new and revised accounting standards

The Company has adopted all of the new, revised or amending Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations and mandatory in the 30 June 2022 reporting period.

Any new, revised or amending Australian Accounting Standards or Interpretation that are not yet mandatory for 30 June 2022 reporting period have not been early adopted.

d) Going concern

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

For the period from 29 July 2021 (date of incorporation) to 30 June 2022, the Company reported a loss of \$3,711,592 and net cash outflows from operating activities of \$4,233,594. As at 30 June 2022 the Company is in a working capital loss position of \$4,711,492 and has cash and cash equivalents of \$53,439. As the Company is in the pre-operational phase, it is reliant on obtaining additional funding to continue its operations, meets its ongoing obligations and execute its strategy.

These conditions give rise to material uncertainty which may cast doubt over the Company's ability to continue as a going concern. The financial statements have 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 normal course of business.

The directors are aware of the current situation of the company and its need for funding. The directors are currently doing the activities to allow the company to continue as a going concern. Subsequent to financial period ended 30 June 2022, the Company entered into an agreement with Tembo Capital Holding UK Limited to fund the operations of the Company and received \$6,000,000 pursuant to the agreement (refer to Note 20 to the financial statements for further details).

The Company has also signed a non-binding term sheet agreement with Duke Exploration whereby Duke Exploration will acquire a portfolio of copper assets held by the Company. This agreement is subject to several conditions which include the approval from Foreign Investment Review Board (FIRB) and the Company's ability to raise \$10 million as Pre-IPO Capital. At the date of this report, the Company, through Morgans Financial Limited have received firm commitments from investors to invest a total of \$10 million into True North Copper at \$0.14/share. The settlement is conditional upon ASX

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

approval of the reverse acquisition into Duke Exploration (refer to Note 20 to the financial statements for further details)

The Directors are confident that the Company can continue as a going concern and as such are of the opinion that the financial statements have been appropriately prepared on a going concern basis.

Should the company's funding plans not be achieved and is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classifications of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

e) Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure (Exploration & evaluation assets)

The Company will perform regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. The ultimate recoupment of costs carried forward for areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation, or sale, of the respective areas of interest. For areas which do not meet the criteria of the accounting policy, those amounts are charged to the statement of profit or loss and other comprehensive income.

Exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the consolidated statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the end of each reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.
- Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the asset relates.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied. Exploration and evaluation expenditure incurred after the acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and Circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found before the assets are transferred to development properties.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2022, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources.

f) Income Tax

The income tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the period).

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or 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 nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

g) Goods and Services Tax (GST)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables 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 is receivable from or payable to the ATO, are disclosed as operating cash flows.

h) Revenue and Other Income

Revenue is recognised when a performance obligation in the contract with a customer is satisfied or when control of the goods or service underlying the particular performance obligation is transferred to the customer.

Interest Income

Interest income is recognised as the interest accrues.

Government grants

Grants received from government are recognised upon receipt of cash.

i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less, that are subject to an insignificant risk of changes in value.

j) Trade and Other Receivable

Trade receivable are amounts due from customers. They are due for settlement within 30 days. No interest is charged on outstanding trade receivables. Trade receivables are recognised at fair value less any allowance for credit losses.

The Company has applied the simplified approach measuring expected credit losses, which uses a lifetime expected loss allowance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Financial Instruments

Financial Assets

Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all risks and rewards are transferred.

For subsequent measurement, financial assets are classified into four categories:

- (i) Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- (ii) Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

- (iii) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

- (iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

After initial recognition, interest-bearing loans, borrowings, trade and other payable are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

k) Property, Plant and Equipment

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Each class of property, plant and equipment is carried at cost less accumulated depreciation and impairment. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method over their useful lives commencing from the time the assets are held ready for use.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses on disposals are calculated by comparing proceeds with the carrying amount. These gains and losses are recognised in the statement of profit or loss and other comprehensive income.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where carrying value exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

I) Exploration Expenditure

Exploration and evaluation costs, including costs of acquisition, incurred by or on behalf of the Company are accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met. Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off in full against profit in the year in which the decision to abandon the area is made. Expenditure is not carried forward in respect of any area in interest/mineral resource unless the entity's rights of tenure to that area of interest are current.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

For exploration and evaluation assets an impairment assessment takes place when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

m) Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the Company that remain unpaid.

Trade payables are recognised initially at fair value and subsequently measured at amortised costs. Trade payables are obligations on the basis of normal credit terms.

n) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification as measured at the date of modification.

Where an equity-settled award is cancelled (other than cancellation when a vesting condition is not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of the outstanding equity is reflected as additional share dilution in the computation of loss per share.

o) Fair Value Measurement

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

p) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

q) Comparatives

The Company was incorporated on 29 July 2021. Accordingly, this is the first financial year which the company has operated and for which annual financial statements have been prepared, therefore there are no comparative financial statements.

r) Ordinary Shares

The Company does not have authorised capital nor par value in respect of its issued capital. Shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

s) Capital Risk Management

The Company's capital comprises share capital less accumulated losses amounting to (\$3,711,492) at 30 June 2022. The Company manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Company was ungeared at year end and not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company currently has long-term borrowings with at a nominal fixed interest rate of 1% and accordingly is not exposed any fluctuation of interest rate as it is a fixed rate.

Credit Risk Exposures

The Company has no significant credit risk exposure.

Foreign Currency Risk Exposure

The Company has no significant foreign currency risk exposure.

Fair Value

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

2. Results for the period

Included in the statement of profit or loss and other comprehensive income are the following expenses:

	29 July 2021 to 30 June 2022 \$
<i>Administrative Expenses</i>	
Accounting fees	7,500
Audit fees	20,000
Director fees	-
Other	136,270
Total administrative expenses	163,770

29 July 2021 to
30 June 2022
\$

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Transactions Expenses	-
Stamp Duty	187,525
Holding Cost	905,923
Total Transaction Expenses	1,093,448

The holding costs is a transaction fee paid to Round Oak Minerals Pty Ltd for holding the land and assets until the sale was finalised in June 2022.

**29 July 2021
to
30 June 2022
\$**

Other Expenses	
Insurance	11,549
Legal Expenses	21,837
ICT Expenses	127
Mining Site Expenses	160
Repairs & Maintenance, Chemicals and Machinery	3,573
Environmental Approval (EA) Fee Costs	56,994
Total Other Expenses	94,240

3. Finance expenses

**29 July 2021
to
30 June 2022
\$**

Bank Fees	40
Interest expense	8,211
Bond Procurement Fee (1)	2,202,300
Total finance expenses	2,210,551

- (1) As a requirement of Asset Sale Agreement – Cloncurry Assets and to meet statutory requirements for financial assurances in respect of the Cloncurry tenements, True North Copper had to provide bank guarantees for a total amount of \$14,682,003 and accordingly entered into an agreement with Dyda Property Management Pty Ltd for procuring the issue of a Financial Institution Undertaking. The Company paid a total of \$2,202,300 bond procurement fee to Dyda Property Management Pty Ltd in relation to this agreement.

4. Income Tax Expense

**29 July 2021 to
30 June 2022
\$**

- (a) The major components of tax expense (income) comprise:

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Loss before income tax	\$3,711,592
Statutory tax rate (%)	25
	<u>(927,898)</u>

Less:	\$
- Current year tax losses not recognised	292,582
- Other non-deductible expenditure for income tax purposes	710,696
- Other adjustments	<u>(75,380)</u>
Income tax expense	<u>-</u>

5. Cash and cash equivalents

	30 June 2022
	\$
Cash at bank and in hand	53,439
Total Cash and Cash Equivalents	<u>53,439</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	30 June 2022
	\$
Cash and cash equivalents	53,439

6. Deposits

	30 June 2022
	\$
CURRENT	
Exclusivity deposit - CopperCorp Pty Ltd	100,000
Queensland Treasury Bond	53,000
Less accumulated impairment	-
Current deposits	<u>153,000</u>

The above exclusivity deposit provides the Company the exclusivity rights to negotiate the purchase of shares in CopperCorp Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

7. Prepayments

	30 June 2022 \$
Environmental fees	323,705
Insurance premiums	200,738
Total Prepayments	524,443

8. Property, plant and equipment

PROPERTY	30 June 2022 \$
Land	
Freehold Property at Roxmere Road	200,000
Total Land	200,000
Total property, plant and equipment	200,000

The company also entered into Property Sales Agreement for the purchase of Freehold Property Lot 2 on RP 724528, Roxmere Road Cloncurry. The purchase price of \$200,000 is in addition to the consideration payable under the Asset Sale Agreement. Stamp duty was separately payable for the freehold land.

9. Exploration

	30 June 2022 \$
Capitalised mining tenements and infrastructure	3,400,000
Capitalised mining information / interest	3,400,000
Total exploration, evaluation and development assets	6,800,000

The acquisition of tenements, mining information, mining records, plant and equipment from Round Oak Minerals Pty Ltd is valued at \$6,800,000. The valuation of mining information/interest of \$3,400,000 is obtained from the Commissioner Assessment Notice issued by the Queensland Government under the Transfer Duty Provisions on 25 March 2022. The balance of \$3,400,000 which the Company has paid for tenements and infrastructure is provided below, although an itemised allocation is not readily available at this time.

Mining Licenses			
ML 90065	ML 90108	ML 2695	ML 90236
ML 100077	ML 100111		
Exploration Permit - Minerals			
EPM 12409	EPM 13137	EPM 18538	EPM 14295

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

EPM 26371	EPM 11675		

Reconciliation of the carrying amounts of exploration, evaluation and development assets at the beginning and end of the current financial year:

2022	\$
Opening carrying amount	-
Additions	6,800,000
Disposals	-
Closing carrying amount	6,800,000

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

10. Trade and other payables

Trade and other payables are unsecured, non-interest bearing, and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

	30 June 2022
	\$
CURRENT	
Trade payables	286,483
Total current trade and other payables	286,483

11. Total current employee benefits

	30 June 2022
	\$
CURRENT	
Liabilities – PAYG Withholdings and Superannuation Payable	3,818
Total current employee benefits	3,818

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

12. Accrued expenses

	30 June 2022
	\$
CURRENT	
Accounting and audit fees	27,500
Consulting fees	175,840
Mineral estimate fees	18,368
Total accrued expenses	221,708

Accrued expenses is in respect to costs incurred as at 30 June 2022 but not yet reflected in trade and other payables through the receipt of invoices.

13. Loan from parent company

	30 June 2022
	\$
CURRENT	
Loan from Tennant Consolidated Mining Group Pty Ltd	5,286,933
Total interest payable	5,286,933

The loan from parent company is unsecured, non-interest bearing and repayable upon demand.

14. Deferred Payments

	30 June 2022
	\$
NON-CURRENT	
Deferred payments	6,000,000
Total Deferred payments	6,000,000

This amount is payable to Round Oak Minerals Pty Ltd which is deferred consideration for purchase of Tenements and Mining information for Great Australian Mine assets. Refer to Note 9 for further details.

15. Commitments and contingent liabilities

- a) As a requirement of Asset Sale Agreement – Cloncurry Assets and to meet statutory requirements for financial assurances in respect of the Cloncurry tenements, True North Copper had to provide bank guarantees for a total amount of \$14,682,003 and comprising:
 1. \$12,749,866 in relation to Environmental Authority No. EPML00876013; and
 2. \$1,932,137 in relation to Environmental Authority No. EPML00941713.

It was also agreed that such an amount would be reduced if the financial assurance required in respect of Environmental Authority No. EPML00876013 or Environmental Authority No. EPML00941713 is reduced and on the basis that it is considered unlikely the Buyer will qualify for the Financial Provisioning Scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

To provide bank guarantees, the Company (True North Copper) entered a financial facility arrangement with Dyda Property Management Pty Ltd. Dyda Property Management have procured two bank guarantees for the above amounts which have been provided by Westpac Banking Corporation to Queensland Treasury, pursuant to the agreement with True North Copper.

b) Commitments –

- I. for tenements and any royalties to be paid to the seller of Round Oak and Cloncurry Assets.

The company has tenements rental and expenditure commitments of:

	30 June 2022
Payable	\$
- not later than 12 months	246,210
- between 12 months and 5 years	1,090,247
- greater than 5 years	-
Total	\$1,336,457

16. Financial Risk Management

The Company has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

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.

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

Remaining contractual maturities

The following table details the Company's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	45,846	-	-	-	45,846
Insurance premium funding	4.65%	240,637	-	-	-	240,637
Total non-derivatives	-	286,483	-	-	-	286,483
Borrowings						
Loan from parent company (Tennant Consolidated Mining Group Pty Ltd)	-	5,268,933	-	-	-	5,268,933
Total Borrowings	-	5,268,933	-	-	-	5,268,933
Deferred Payment						
Deferred payment to Round Oak Minerals Pty Ltd	-	-	-	6,000,000	-	6,000,000
Total Deferred Payment	-	-	-	6,000,000	-	6,000,000

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from transactions with customers and investments.

Cash deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Company currently has no significant concentrations of credit risk.

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 any return.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the AUD functional currency of the Company.

(ii) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

17. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by Stantons International Audit and Consulting Pty Ltd, the auditor of the Company:

	30 June 2022 \$
<i>Audit services – Stantons International Audit and Consulting Pty Ltd</i>	
Audit of the financial statements	<u>20,000</u>

18. Cash flow information

Reconciliation of result for the period to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	29 July 2021 to 30 June 2022 \$
Loss for the period	(3,711,592)
Cash flows excluded from profit attributable to operating activities	-
Changes in assets and liabilities:	
- (increase)/decrease in deposits	(153,000)
- (increase)/decrease in prepayments	(524,443)
- increase/(decrease) in current liabilities	512,009
- increase/(decrease) in GST receivables	(356,568)
Cashflows from operations	<u>(4,233,594)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

19. Segment reporting

The Company operates predominately in one segment involved in mineral exploration and development. Geographically, the entity is domiciled and operates in one segment being Australia. In accordance with ASB 8 Operating Segments, a management approach to reporting has been applied. The information presented in the Statement of Profit or Loss and other Comprehensive Income, and the Statement of Financial Position reflects the sole operating segment.

20. Subsequent events

1.Change in members and shareholding

True North Copper Pty Ltd was owned by Catalpa Management Pty Ltd ACN 652 711 996 (15,000,000 shares @ 15%) and Tennant Consolidated Mining Group Pty Ltd ACN 645 263 547 (85,000,000 @ 85%) until 17 September 2022.

On 17 September 2022, both Catalpa Management and Tennant Consolidated Mining Group divested or transferred their shares to the following entities/persons:

Entity/Individual	Shares
TA Private Capital Security Agent	31,018,260
Bronco Dino Pty Ltd - Bronco Dino No2 Trust	7,976,928
Andrew Alexander Fantela	2,410,295
The Morton Family Trust	4,591,037
The Petkar Trust	7,976,928
Tennant Resources Pty Ltd	568,229
Tembo Capital Holdings UK Limited	45,458,323
Total	100,000,000

On 10 November 2022 the company entered into convertible loan agreement with Tembo Capital Holding UK Limited to fund the operations under the following terms and conditions:

- The commitment amount (loan amount) of \$6,000,00 was to be converted into equity shares in either full or part as agreed upon;
- Interest at a rate of 10% would be payable each quarter; and
- Full repayment of the loan: within 12 months from the date of the agreement.

Pursuant to the agreement the Company (TNC) received \$6,000,000 from Tembo Capital Holdings UK Limited on 15 November 2022 and on 16 December 2022 Tembo Capital Holdings UK Limited exercised the option to convert \$4,500,000 of loan amount along with interest to ordinary equity shares in the Company at \$0.07 per share. Accordingly, Tembo Capital Holdings UK Limited were allotted 64,831,702 shares on 16 December 2022 by the Board of Directors vide their meeting held on 16 December 2022.

Consequent to the conversion the revised share holdings is as follows:

Entity/Individual	Shares
TA Private Capital Security Agent	31,018,260
Bronco Dino Pty Ltd - Bronco Dino No2 Trust	7,976,928
Andrew Alexander Fantela	2,410,295

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

The Morton Family Trust	4,591,037
The Petkar Trust	7,976,928
Tennant Resources Pty Ltd	568,229
Tembo Capital Holdings UK Limited	110,290,025
Total	164,831,702

2.Share Sales Agreement with CopperCorp Pty Ltd

On 3 June 2022, the Company (TNC) entered into a non-binding agreement (Term Sheet) with CopperCorp Pty Ltd ("CopperCorp") and subsidiaries to purchase all the issued shares in CopperCorp Pty Ltd. Upon conditional, parties agree to enter a definitive agreement whereby TNC will acquire a 100% interest in CopperCorp by acquiring all of the sale shares which owns the tenements either directly, through Flamingo Copper Mines Pty Ltd or Mount Norma Mining Company Pty Ltd.

On signing the Term sheet:

1. TNC agrees to:
 - replace the environmental bonds within 45 days [\$715,863] by way of replacing the cash backed term deposits held by CopperCorp;
 - pay the \$100,000 fee to CopperCorp;
 - Provide an appropriately qualified person as the Site Senior Executive;
 - assume all operational and environmental responsibility for the tenements, including submitting all required forms to the Government departments; and
 - pay all rates, rents and taxes associated with the tenements and ensure compliance at its cost with all minimum expenditure obligations.
2. CopperCorp agrees to:
 - deal exclusively with TNC until completion and do all reasonable things to assist TNC to complete the transaction;
 - provide copies of all CopperCorp corporate and mining information; and
 - provide any information reasonably requested by TNC until completion.

At the date of this financial report, the above conditions have been satisfied.

Subsequent to the term sheet, the company (TNC) entered into Share Sale Agreement on 22 September 2022 with the Shareholders of the CopperCorp Pty Ltd. The terms of the agreement are:

Consideration

The total aggregate consideration to be paid to the Sellers (CopperCorp), to be apportioned between the Sellers in their respective proportions, is comprised of:

- thirteen million three hundred and thirty-three thousand three hundred and thirty three (13,333,333) TNC Shares (consideration shares), which are anticipated to have a total value of at least four million dollars (\$4 million) immediately following the initial public offering of TNC shares on the applicable stock exchange;
- four million dollars (\$4 million) in immediately available funds payable in instalments of:
 - (i) two million dollars (\$2 million) on the date which is six months after the completion date; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

- (ii) two million dollars (\$2 million) on date which is 12 months after the completion date, into a bank account nominated by Malone on behalf of the Sellers; and
- two million dollars (\$2 million) in immediately available funds payable if (and within 40 Business days after) the condition subsequent has been satisfied, into a bank account nominated by Malone on behalf of the Sellers.

Transaction subject to conditions precedent:

The sale and purchase of the shares is subject to the satisfaction (or waiver by mutual agreement between the parties) of conditions (conditions precedent) by 31 January 2023. If the conditions precedent are not satisfied (or waived by mutual agreement between the parties) by 31 January 2023 (cut-off date), either party may terminate this Agreement by 20 business days' notice in writing to the other party.

3.Asset Sale Agreement – Mount Oxide Project - with Mount Oxide Pty Ltd and Perilya Freehold Mining Pty Ltd

On 5 August 2022, the Company (TNC - Buyer) entered into an agreement with Mount Oxide Pty Ltd (Seller ABN 74 133 057 593) and Perilya Freeholding Mining Pty Ltd (Seller ABN 60 056 463 579) to purchase assets listed below. The salient features of the agreement are provided below:

Assets means:

- The Tenements
 - *EPM 10313 (Mount Oxide);*
 - *EPM 14660 (Mount Oxide West #3); and*
 - *EPM 16800 (Mount Oxide South).*
- the Environmental Authorities
 - *EPPR00561513 (with respect to EPM 10313) (Mount Oxide);*
 - *EPSX00527113 (with respect to EPM 14660) (Mount Oxide West #3); and*
 - *EPSX00820713 (with respect to EPM 16800) (Mount Oxide South).*
- the mining information;
- the records;
- the benefit of the contracts;
- the plant and equipment;
- prepayments made by a Seller before completion; and
- the stock.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Consideration and allocation

The cash consideration, excluding GST, shall amount to \$46,000,000 and be paid as follows:

- Deposit \$1,000,000;
- Completion payment: \$30,000,000; and
- Deferred cash consideration of \$15,000,000.

The cash purchase price is allocated to the sale assets as follows:

- the tenements \$1,000,000;
- the plant and equipment and stock \$2,000,000; and
- the mining information \$43,000,000.

Exclusivity period

The exclusivity period will be for a period of 6 months which commences upon payment of the deposit by the Buyer (initial exclusivity period). In the event of unforeseen delays in the satisfaction of any of the conditions precedent or obtaining the **SASAC Approval** ("State-owned Assets Supervision and Administration Commission of the State Council of the Guangdong Province of the People's Republic of China), the Buyer may extend the exclusivity period by a further period of 3 months, by giving the Sellers written notice of its intention to extend the exclusivity period at any time prior to the expiry of the initial exclusivity period.

Financial assurance

On and from completion the Buyer will assume responsibility for the provision of the financial assurances. Schedule 4 of the agreement outlines the completion steps (Seller's obligations for completion and Buyers obligation for complication).

4. Equipment Hire Agreement (Gold Processing Plant) with Tombola Tenements Pty Ltd

On 16 October 2022, the Company (Owner) entered an agreement with Tombola Tenements Pty Ltd (Hirer) to provide the equipment (Gold Processing Plant) available to the hirer for processing their gold ore stockpile at the GAM facilities. Equipment means the gold processing plant and equipment and the gold room situated on the owner's project area as at the date of this agreement, which is collectively known as the 'GAM Gold Processing Plant'.

It was agreed that the hirer would carry out under this agreement:

- the recommissioning works;
- the operation, repair, maintenance or make good of the equipment; or
- the decommissioning works with decommissioning date as 15 March 2023.

Expiry date means the earlier of

- the date that is 6 months after the recommissioning completion date or such later date as agreed by the Owner and the Hirer in writing; and
- the decommissioning commencement date.

Hire fee: \$110,000 (exclusive of GST) for each month of the hire fee period.

Hire fee period: the period starting on 14 November 2022 and ending at the later of the decommissioning end date and the date the hirer returns the equipment to the owner in accordance with the agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Hire period: the period starting on the later of the recommissioning completion date and the date that all operational authorisations are obtained by the owner and ending on the expiry date.

Hirer's obligations

- A. The Hirer must undertake and complete the recommissioning works:
 - for the purpose of bringing the equipment to a high operational standard;
 - using new parts which are approved in writing by the owner and:
 - materially similar to the parts used in the equipment at the commencement date; and
 - which are of at least equal or better quality than the parts used in the equipment at the commencement date when they were new;
 - at its own cost and expense;
 - in accordance with Best Industry Practice;
 - in accordance with all applicable Laws and Codes and Standards;
 - using qualified and trained personnel, except as provided in this agreement; and
 - with due expedition and without delay.
- B. Except as provided in this agreement, the hirer must provide everything including personnel, materials, plant and equipment necessary to undertake the recommissioning works.
- C. The hirer must in undertaking the recommissioning works comply with all directions of the Site Senior Executive ("SSE") and point of contact electrical work ("PCEW"), and observe all conditions, policies, regulations, rules, schemes or plans issued by the owner governing site activities, industrial relations, construction, safety and the environment.
- D. The hirer must provide an SSE and PCEW for the equipment and the relevant part of the owner's project area to enable the hirer to undertake the recommissioning works.

5.Asset Sale Agreement between True North Copper Pty Ltd and Tombola Gold Limited

On 15 September 2022, the Company (Seller) entered into an Asset Sale Agreement with Tombola Tenements Pty Ltd (Buyer) to sell the following tenements along with relevant Environmental Authorities (EA), mining information and records and deed of novation for EPM15923, EPM12409 and ML100111.

The overall cash consideration (excluding GST) set out for this agreement is \$1,500,000 and to be paid as follows:

- Non-refundable deposit of \$50,000 (which was received on 19 July 2022);
- Completion payment of \$450,000 (not yet received); and
- Deferred payment of \$1,000,000, payable by the Buyer once the Buyer has generated \$5,000,000 (five million dollars) in revenue.

The following are the conditions which needs to be satisfied or waived as set out in the agreement:

- Approvals for the transfer of each tenement to the buyer received under the Mining Act;
- The removal of ML100111 from environmental authority applicable to M100077 and ML90236;
- The parties must prepare the Royalty Deed Variation and procure the execution of the Royalty Deed Variation by all parties to that deed, including Round Oak Minerals Pty Ltd. It is noted that the agreements also detail pre-completion documents which need to be completed by the Buyer and Seller;

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 29 JULY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

- Stamping: - the Buyer will lodge this agreement with the Queensland Revenue Office for stamping, and will, following lodgement, provide evidence of such lodgement to the Seller;
- Stamping information request: - the Buyer will keep the Seller informed of any information request received by the Buyer from the Queensland Revenue Office in respect of the stamping of this agreement, including if any independent valuation of any of the Sale Assets is requested by the Queensland Revenue Office;
- Independent valuation for stamping purposes: - if any independent valuation of any of the Sale Assets is requested by the Queensland Revenue Office, the Buyer will engage a valuer and will procure that any valuation be provided by the valuer. The Seller must provide all assistance (if any) reasonably required by the Buyer and / or the valuer to ensure that the requirements of this clause can be satisfied, and a valuation can be prepared;
- Tenement transfer documents: - the Seller will deliver to the Buyer the transfer documents in respect of each tenement, in registrable form, duly executed by the Seller, together with any document reasonably required by the Buyer from the Seller to permit the registration of the transfer of the tenements to the Buyer; and
- Tax invoice for Financial Provision Surety within 5 business days after receipt of a tax invoice or tax invoices by the Buyer from the Scheme Manager of the Financial Provisioning Scheme under the Mineral and Energy Resources (Financial Provisioning) Act 2018 (Qld), in respect of financial assurances associated with the Environmental Authorities, the Buyer will provide a copy of such tax invoice or invoices to the Seller.

Several additional documents are required to complete this transaction. These have been prepared (or are still to be prepared) but have not yet been fully executed. They include:

- Royalty Deed Variation (which has been executed by Round Oak Minerals but is awaiting execution by TNC and Tennant Consolidated Mining Group Pty Ltd);
- Novation of existing Access and Mineral Rights Deed in respect of EPM15923;
- Access and Mineral Rights Deed for Wallace South and Wallace North; and
- Various deeds of assignment and assumption for material contracts relating to the relevant tenements.

Other than those disclosed above, there are no other significant matters or circumstances that 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, of the state of affairs of the company in future financial years.

6.Share Purchase Agreement with Duke Exploration (ASX:DEX)

Duke Exploration (ASX: DEX) has signed a *non-binding term sheet* to acquire a portfolio of Queensland Copper assets held by True North Copper Pty Ltd (TNC). The ASX may treat the transaction as a reverse takeover (RTO) as the assets being acquired are significantly larger than Duke's assets.

The Share Purchase Agreement is still in draft stage and there are number of conditions precedent to completion and the most significant being approval from Foreign Investment Review Board (FIRB) and TNC's ability to raise \$10M as Pre-IPO capital.

As of this date, Morgans Financial Limited have received firm commitments from investors to invest a total of \$10m into True North Copper at \$0.14/share. The Settlement is conditional upon ASX approval of RTO into Duke Exploration and transaction being announced by Duke Exploration.

Auditor's Independent Declaration



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17 February 2023

Board of Directors
True North Copper Pty Ltd
Level 9, Citi Central Tower
46-48 Sheridan Street
Cairns City QLD 4870

Dear Directors

RE: TRUE NORTH COPPER PTY LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of True North Copper Pty Ltd.

As Audit Director for the audit of the financial statements of True North Copper Pty Ltd for the financial period from 29 July 2021 (date of incorporation) to 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

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Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF True North Copper Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of True North Copper Pty Ltd ("the Company") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the financial period from 29 July 2021 (date of incorporation) to 30 June 2022, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the 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 2022 and of its financial performance for the financial period from 29 July 2021 (date of incorporation) to 30 June 2022; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 year ended 30 June 2022 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 opinion thereon.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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.

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director
West Perth, Western Australia
17 February 2023