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**Australian Critical Minerals Limited
(Previously: Australian Critical
Pty Ltd)**

ABN 15 658 906 159

Financial report

For the period ended 30 June 2022

TABLE OF CONTENTS

Directors' report	1 - 3
Auditor's independence declaration	4
Financial report	
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 – 21
Directors' declaration	22
Independent auditor's report	23 - 25

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

DIRECTORS' REPORT

The director presents its report together with the financial report of Australian Critical Minerals Limited (Previously: Australian Critical Minerals Pty Ltd) (the "company") for the year ended 30 June 2022 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors

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

Michael Shaw-Taylor (appointed 21 April 2022, on incorporation of the Company, resigned 15 March 2023)
Gary Robert Brabham (appointed on 24 February 2023)
Dean De Largie (appointed on 24 February 2023)
Steve Boston (appointed 15 March 2023, resigned 30 March 2023)
Johnathon Busing (appointed 30 March 2023)

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

Company Secretaries

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

Michael Shaw-Taylor (resigned 15 March 2023)
Johnathon Busing (appointed on 24 February 2023)

Results

The loss of the company for the period after providing for income tax amounted to \$14,000.

Review of operations

The company progressed its search for suitable mining exploration assets to acquire.

Principal activities

The company was incorporated on 21 April 2022 for the purpose of exploring for, discovering and then proceeding to develop mineral deposits.

No significant change in the nature of these activities occurred during the period.

After balance sheet date events

On 8 August 2022, the company entered into a farm-in agreement with Kula Gold Limited (ASX: KGD) to acquire the exclusive right to earn up to 51% interest in the Rankin Dome Project. The company is to spend \$200,000 and complete 2,000m of RC drilling within 24 months of signing the agreement.

On 7 November 2022 the company entered into three heads of agreement, which completed on 2 December 2022, to acquire 100% of the fully ordinary paid shares in Bayzephyr Pty Ltd, Evextra Pty Ltd and Newnation Holdings Pty Ltd. Bayzephyr Pty Ltd, Evextra Pty Ltd and Newnation Holdings Pty Ltd are the beneficial owners of mining and exploration tenements located in Western Australia.

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

DIRECTORS' REPORT

In consideration for the acquisition, the company issued a total of 6,750,000 fully paid ordinary shares at a deemed issue price of \$0.16 per share for a total of \$1,080,000.

On 2 December 2022, the company repaid a \$100,000 loan to a shareholder by issuing 1,000,000 fully paid ordinary shares at an issue price of \$0.10 per share with a 1-for-1 attaching option exercisable, at exercise price of \$0.30, on or before the date that is 3 years from the date of listing of the company on the ASX.

On 2 December 2022 the company also issued the following shares:

- 3,281,250 fully paid ordinary shares at an issue price of \$0.16 per share with a 1-for-1 attaching option, at exercise price of \$0.30, exercisable on or before the date that is 3 years from the date of listing of the company on the ASX, pursuant to a Pre-IPO round of capital raising.
- 2,500,000 fully paid ordinary shares at an issue price of \$0.02 per share with a 1-for-1 attaching option, at exercise price of \$0.30, exercisable on or before the date that is 3 years from the date of listing of the company on the ASX, pursuant to a Pre-IPO round of capital raising.
- 1,000,000 fully paid ordinary shares at an issue price of \$0.01 per share, in lieu of consultant fees for the services provided in facilitating the Kula Gold Farm-in Agreement.

On 24 February 2023, Gary Robert Brabham and Dean De Largie were appointed as directors of the Company. On the same date, the Company converted from a proprietary to a public company and changed its name from Australian Critical Minerals Pty Ltd to Australian Critical Minerals Limited.

On 15 March 2023, Michael Shaw Taylor resigned from his position of director and company secretary, and Steve Boston was appointed as director of the Company. On 30 March 2023, Steve Boston resigned from his position of director, and Johnathon Busing was appointed as director of the Company.

On 21 February 2023, the Company entered into a Share sale agreement, which completed on 27 March 2023, to acquire 100% of the fully ordinary paid shares in Proterozoic Gold Pty Ltd, a beneficial owner of mining and exploration tenements located in Western Australia. The Company paid a non-refundable deposit of \$35,000. In consideration for the acquisition, the Company issued 3,250,000 fully paid ordinary shares at an issue price of \$0.20 per share for a total of \$650,000. The acquisition and the share issue are subject to the Company successfully listing on the Australian Securities Exchange (ASX).

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments

The company wishes to conduct an initial public offer (IPO) on the Australian Securities Exchange (ASX) either through making an application to list itself, or through it being acquired by another company that will apply to list or is listed on the ASX.

Dividends paid, recommended and declared

There were no dividends paid or declared during the current year or previous financial year.

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

DIRECTORS' REPORT

Options

Details of the company's unissued shares or interests under options as at the date of this report are:

Grant date	Number of options	Class of shares	Issue Price	Exercise price of option	Vesting date	Expiry date of options
02 Dec 2022	1,000,000	Ordinary	NIL	\$0.30	Listing date	3 years from listing
02 Dec 2022	3,281,250	Ordinary	NIL	\$0.30	Listing date	3 years from listing
02 Dec 2022	2,500,000	Ordinary	NIL	\$0.30	Listing date	3 years from listing

The options will vest on the date of listing of the company on the Australian Securities Exchange (ASX). No other options over unissued shares or interests in the company were granted during or since the end of the financial year.

Meetings of director

During the period no meeting of Director was held.

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been a director of the company.

Indemnification of auditors

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

Proceedings on behalf of the company

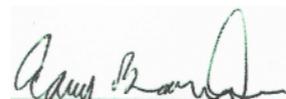
No person has applied for leave of Court to being proceeding on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Auditor's independence declaration

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

Signed in accordance with a resolution of the director.

Director:



Gary Robert Brabham

Dated this: 17 April 2023

To the Board of Directors,

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

As lead audit Director for the audit of the financial statements of Australian Critical Minerals Limited for the financial period ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 17th day of April 2023

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AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 21 APRIL 2022 TO 30 JUNE 2022

	Notes	30 June 2022
		\$
Revenue		-
		<u>-</u>
Less: expenses		<u>-</u>
Consulting Expenses		(1,051)
Compliance costs		(5,000)
Professional Fees		(7,949)
		<u>(14,000)</u>
Loss before income tax		(14,000)
Income tax expense	11	-
Loss after income tax		<u>(14,000)</u>
		<u>-</u>
Other comprehensive income		-
Total comprehensive loss		<u><u>(14,000)</u></u>
Loss per share:		
Basic and diluted (cents per share)		(140,995)
Weighted average number of shares		10

The accompanying notes form part of these financial statements.

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	30 June 2022 \$
Current assets		
Cash and cash equivalents	4	<u>100,002</u>
Total current assets		<u>100,002</u>
Total assets		<u>100,002</u>
Current liabilities		
Trade and other payables		12,949
Borrowings	5	<u>101,051</u>
Total current liabilities		<u>114,000</u>
Total liabilities		<u>114,000</u>
Net assets/ (liabilities)		<u><u>(13,998)</u></u>
Equity		
Issued capital	6	2
Accumulated losses	7	<u>(14,000)</u>
Total equity		<u><u>(13,998)</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022

	Issued capital	Accumulated losses	Total equity
	\$	\$	\$
Balance as at 21 April 2022	-	-	-
Loss for the period, representing total comprehensive income for the period	-	(14,000)	(14,000)
Issue of shares	2	-	2
Balance as at 30 June 2022	2	(14,000)	(13,998)

The accompanying notes form part of these financial statements.

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022

	Note	30 June 2022
		\$
Cash flow from operating activities		
Payments made to suppliers		(1,051)
Net cash (used in) operating activities	8	(1,051)
Cash flow from financing activities		
Proceeds from borrowings		101,051
Proceeds from share issuance		2
Net cash provided by financing activities		101,053
Net increase in cash and cash equivalents		100,002
Cash and cash equivalents at beginning of the period		-
Cash at end of financial year	4	100,002

The accompanying notes form part of these financial statements.

**AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity Australian Critical Minerals Limited (the “company”) as an individual entity. Australian Critical Minerals Limited is a company limited by shares, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Australian Critical Minerals Li is a for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company comply with International Financial Reporting Standards (‘IFRS’) issued by the International Accounting Standards Board.

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

The following specific accounting policies have been adopted in the preparation of this report.

(a) Basis of preparation of the financial report

The financial report has been prepared on an accrual basis and are based on historical cost convention.

(b) Going concern

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

The Company incurred a loss for the period ended 30 June 2022 of \$14,000 and net cash outflows from operating activities of \$1,051. At 30 June 2022, the Group had working capital deficit of (\$13,998), and cash resources of \$100,002.

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast a significant doubt over the Company’s ability to continue as a going concern and therefore that it will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

The Company has prepared a cash flow forecast, which has allowances for further capital to be raised and indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis:

-

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern (continued)

- The company plans to undertake a capital raising via the issue of shares in an initial public offering in conjunction with a proposed listing on the Australian Securities Exchange.

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

Recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern.

(c) Adoption of new and revised Accounting Standards

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

(d) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

**AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(f) Financial instruments

(i) Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives

and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value that are recognised in profit or loss.

Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Recognition, initial measurement and derecognition

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are

adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Other financial liabilities comprise trade and other payables and loan from a director.

(g) Intangible assets

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

(h) Impairment of non financial assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

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**AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of non financial assets (continued)

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(i) Trade and other payables

Trade and other payables are carried at amortised cost and represent unpaid liabilities for goods and services provided to the company prior to the end of the reporting period.

(j) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity on or before the end of the financial period but not distributed at the end of the reporting period.

(k) Share capital

Ordinary Shares

Share capital is recognised at the fair value of the consideration received by the company. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(m) Segment

The nature of operations and principal activities of the group are exploration in Australia. Given, the nature of the group, its size and current operations, management does not treat any part of the group as a separate operating segment.

Internal financial information used by the Group's chief operating decision maker is presented as a group without dissemination to any separate identifiable segment.

Accordingly, the financial information reported elsewhere in this financial report is representative of the

**AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Segment (continued)

nature and financial effects of the business activities in which it engages and the economic environment in which it operates.

NOTE 2: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

(a) Standards and Interpretations applicable to 30 June 2022

In the period ended 30 June 2022, the Director has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the company's operations and effective for annual reporting periods beginning on or after 1 July 2021. As a result of this the Director has determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the company's business and, therefore, no change is necessary to the company's accounting policies.

(b) Standards and Interpretations in issue not yet adopted

The Director has also reviewed all new Standards and Interpretations in issue not yet adopted for the period ended 30 June 2022. As a result of this the Director has determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the company's business and, therefore, no change is necessary to the company's accounting policies.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

30 June 2022
\$

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	2
Cash at bank	100,000
	<u>100,002</u>

NOTE 5: Borrowings

Balance at beginning of period	-
Addition	101,051
Balance at end of period	<u>101,051</u>

The company has received a loan from a Michael Shaw-Taylor of \$1,051 as at 30 June 2022. The funding was in relation to the payment of consulting fees. The loan from a director was unsecured, interest-free and was repaid in October 2022.

The company has received a loan from Kobi Ben Shabat, a shareholder of the company, for \$100,000 as at 30 June 2022. The funding was in relation to operational cash flow management for the company.

The loan from a shareholder was unsecured and interest-free. Subsequent to financial year ended 30 June 2022, the balance of the loan has been converted to 1,000,000 fully paid ordinary shares of the company with 1-for-1 attaching option, on 2 December 2022.

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**AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

	30 June 2022
	\$
NOTE 6: ISSUED CAPITAL	
(a) Issued and fully paid 10 ordinary shares	2
(b) Movement in ordinary shares	
Balance at beginning of period	-
Issuance of shares: 10 shares at \$0.20 per share ⁽ⁱ⁾	<u>2</u>
Balance at end of period	<u><u>2</u></u>

(i) In April 2022, the company was incorporated and issued 10 shares for a \$2 total consideration.

The company does not have authorised capital or par value in respect of its shares. All issued shares are fully paid.

NOTE 7: ACCUMULATED LOSSES

Balance at beginning of period	-
Net Loss	<u>(14,000)</u>
Balance at end of period	<u><u>(14,000)</u></u>

NOTE 8: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss after income tax

Loss from ordinary activities after income tax	(14,000)
Changes in assets and liabilities	
(Increase) in trade and other receivables	-
Increase in trade and other payables	<u>12,949</u>
Cash flows (used in) operating activities	<u><u>(1,051)</u></u>

**AUSTRALIAN CRITICAL MINERALS LTD
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ABN 15 658 906 159**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 9: DIVIDENDS

There were no dividends paid during the period ended 30 June 2022.

NOTE 10: COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments and contingent liabilities as at 30 June 2022.

	30 June 2022
	\$
NOTE 11: INCOME TAX EXPENSE	
Income taxes recognised in profit or loss:	
Current tax	-
Deferred tax	-
	<u>-</u>
	<u>-</u>

NOTE 12: FINANCIAL RISK MANAGEMENT

The company holds the following financial instruments as at:

Financial assets

Cash and cash equivalents	100,002
Other receivables	-
	<u>100,002</u>

Financial liabilities

Trade and other payables	(12,949)
Loan/borrowings	(101,051)
	<u>(114,000)</u>

Net Financial liabilities	<u>(13,998)</u>
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AUSTRALIAN CRITICAL MINERALS LTD
(PREVIOUSLY: AUSTRALIAN CRITICAL MINERALS PTY LTD)
ABN 15 658 906 159

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

NOTE 12: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management objectives

The director monitors and manages the financial risk relating to the operations of the company. The company's activities are not exposed to material risks. The overall risk management strategy focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of the company. Risk management is carried out under the direction of the director.

Cash flow and interest rate risk

The company is not materially exposed to interest rate risk as the company does not have any financial instruments with variable rates.

(b) Liquidity risk

The table below represents the undiscounted contractual settlement terms for financial instruments and management's expectation for settlement of undiscounted maturities.

	< 6 Months	6-12 Months	1-5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Period ended 30 June 2022					
Cash and cash equivalents	100,002	-	-	100,002	100,002
Trade and other payables	(12,949)	-	-	(12,949)	(12,949)
Borrowings	(101,051)	-	-	(101,051)	(101,051)
Net maturities	(13,998)	-	-	(13,998)	(13,998)

(c) Fair value compared with carrying amounts

The carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair value due to its short-term nature as at the reporting date.

NOTE 13: RELATED PARTIES

There were no transactions with related parties during the current period, other than those already disclosed elsewhere in this financial report.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

On 8 August 2022, the company entered into a farm-in agreement with Kula Gold Limited (ASX: KGD) to acquire the exclusive right to earn up to 51% interest in the Rankin Dome Project. The company is to spend \$200,000 and complete 2,000m of RC drilling within 24 months of signing the agreement.

On 7 November 2022 the company entered into three heads of agreement, which completed on 2 December 2022, to acquire 100% of the fully ordinary paid shares in Bayzephyr Pty Ltd, Evextra Pty Ltd and Newnation Holdings Pty Ltd. Bayzephyr Pty Ltd, Evextra Pty Ltd and Newnation Holdings Pty Ltd are the beneficial owners of mining and exploration tenements located in Western Australia. In consideration for the acquisition, the company issued a total of 6,750,000 fully paid ordinary shares at a deemed issue price of \$0.16 per share for a total of \$1,080,000.

On 2 December 2022, the company repaid a \$100,000 loan to a shareholder by issuing 1,000,000 fully paid ordinary shares at an issue price of \$0.10 per share with a 1-for-1 attaching option exercisable, at exercise price of \$0.30, on or before the date that is 3 years from the date of listing of the company on the ASX.

On 2 December 2022 the company also issued the following shares:

- 3,281,250 fully paid ordinary shares at an issue price of \$0.16 per share with a 1-for-1 attaching option, at exercise price of \$0.30, exercisable on or before the date that is 3 years from the date of listing of the company on the ASX, pursuant to a Pre-IPO round of capital raising.
- 2,500,000 fully paid ordinary shares at an issue price of \$0.02 per share with a 1-for-1 attaching option, at exercise price of \$0.30, exercisable on or before the date that is 3 years from the date of listing of the company on the ASX, pursuant to a Pre-IPO round of capital raising.
- 1,000,000 fully paid ordinary shares at an issue price of \$0.01 per share, in lieu of consultant fees for the services provided in facilitating the Kula Gold Farm-in Agreement.

On 24 February 2023, Gary Robert Brabham and Dean De Largie were appointed as directors of the Company. On the same date, the Company converted from a proprietary to a public company and changed its name from Australian Critical Minerals Pty Ltd to Australian Critical Minerals Limited.

On 15 March 2023, Michael Shaw Taylor resigned from his position of director and company secretary, and Steve Boston was appointed as director of the Company. On 30 March 2023, Steve Boston resigned from his position of director, and Johnathon Busing was appointed as director of the Company.

On 21 February 2023, the Company entered into a Share sale agreement, which completed on 27 March 2023, to acquire 100% of the fully ordinary paid shares in Proterozoic Gold Pty Ltd, a beneficial owner of mining and exploration tenements located in Western Australia. The Company paid a non-refundable deposit of \$35,000. In consideration for the acquisition, the Company issued 3,250,000 fully paid ordinary shares at an issue price of \$0.20 per share for a total of \$650,000. The acquisition and the share issue are subject to the Company successfully listing on the Australian Securities Exchange (ASX).

**AUSTRALIAN CRITICAL MINERALS LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

Apart from the above, there has been no matter or circumstance, which has arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (a) the operations, in the year subsequent to 30 June 2022, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in the year subsequent to 30 June 2022, of the company.

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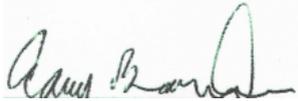
DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2022;
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (d) the attached financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Gary Robert Brabham
Director

Dated this: 17 April 2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN CRITICAL MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Critical Minerals Limited ("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 period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the period then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

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

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$14,000 during the period ended 30 June 2022. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 30 June 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 conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hall Chadwick

Mark DeLaurentis

HALL CHADWICK WA AUDIT LIMITED

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 17th day of April 2023

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