

2021
ANNUAL REPORT

RFC Ambrian Group Limited | ABN 98 096 493 588



Directors and Company Secretary

Rob Adamson
Stephen Allen
Andrew Thomson
Candice Van Der Plas

Executive Chairman
Managing Director
Executive Director
Company Secretary

Auditor

Crowe Horwath
Level 15, 1 O'Connell St
Sydney NSW 2000

Licences and Authorisations

Australian Financial Services Licence
AIM Nominated Adviser
Member of London Stock Exchange
Authorised and Regulated by
the Financial Conduct Authority

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*The cover page photo is of an open configuration Magnetic Resonance Analysis unit, and is a first of its kind, built by CSIRO and NextOre. The unit is being shipped to Rio Tinto's Kennecott operation, for installation on an MMD Surge Loader and will detect the grade of copper being loaded on to haul trucks.

Medieval alchemists blended philosophy and the physical sciences and were particularly interested in metals and energy. They used the *Quadratura Circuli*, or squared circle, to represent the synthesis of the four primal elements — earth, air, fire, and water — which they believed were the essence of all matter and energy.



RFC Ambrian has the *Quadratura Circuli* as its corporate logo. Natural resources and energy, represented by the square of this ancient symbol, are the essence of our business. In a modern context, the circle represents the synthesis resulting from the unification of the elements of the vision for RFC Ambrian that gives the firm its unique identity and its capacity to be of special service to its clients.

We are dedicated to the creation of wealth through innovative financial transformation for our clients and shareholders. This extends to the industries and communities to which both RFC Ambrian and our clients belong.



@RFCAmbrian



www.linkedin.com/company/rfc-ambrian-limited/



www.rfcambrian.com



info@rfcambrian.com



Our principles reflect the values of our organisation; values, of course, must underlie any entity. For the most part, these are simply what should be done in everyday life: show respect for each other (i.e., the clients and communities we interact with); demonstrate empathy for those that you deal with; and always maintain integrity in our dealings with others.

ABOUT RFC AMBRIAN

The RFC Ambrian Group is a leading global independent adviser and investor in the natural resources and basic industries sectors.

RFC Ambrian's business was established in Australia in 1985 and expanded to a global footing in the late 1990s. Over the 35 years since its formation RFC Ambrian has evolved into an established and trusted adviser for a broad range of clients, ranging from junior companies to multinationals.

Many of our client relationships extend for 10-20 years and we regularly receive positive feedback from clients on how they benefit from our depth of experience and the continuity and consistency of our advice.

Core to our services of Corporate Finance, Corporate Broking, Equity Sales and Equity Research is our in-depth industry knowledge, global contacts, and our extensive experience in the market. We are dedicated and tenacious in seeing transactions and projects progress from development to successful execution.

Over the decades we have invested in our clients' businesses where the opportunity presents and currently hold positions in a range of enterprises, including material positions in several emerging companies at the forefront of technological development in the minerals industry.

We are a regulated financial services organisation, holding financial services licences in Australia and the United Kingdom.

We attach great importance to attracting and retaining talented people, making continual improvements, and having a strong, client-focused culture where we show respect for the clients and communities we interact with.

We endeavour to always demonstrate empathy for those with whom we deal and prioritise the maintenance of integrity in our dealings with others.

We are composed of high-calibre, seasoned industry experts and professionals based out of offices in Sydney, Perth and London who bring a personal, dedicated, and focused approach to our transactions.

RFC Ambrian Group Limited is an unlisted Australian public company, which is majority owned by directors and employees. Whilst unlisted, we are audited and operate processes and systems that would enable a quick transition to becoming a listed company should we wish to do so.

KEY FINANCIALS

For the financial year 2020-21 RFC Ambrian Group recorded a net profit after tax of \$18.9 million, up from \$6.3 million for the previous year.



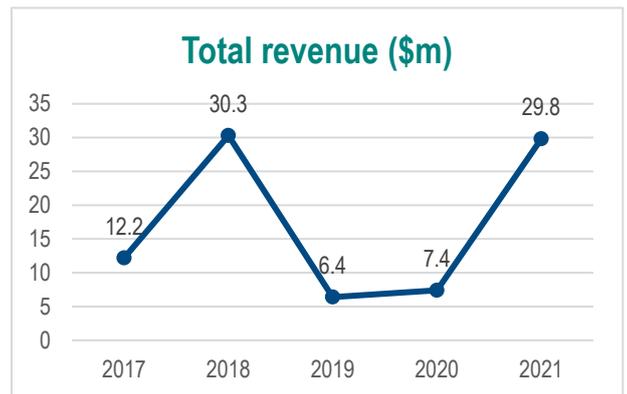
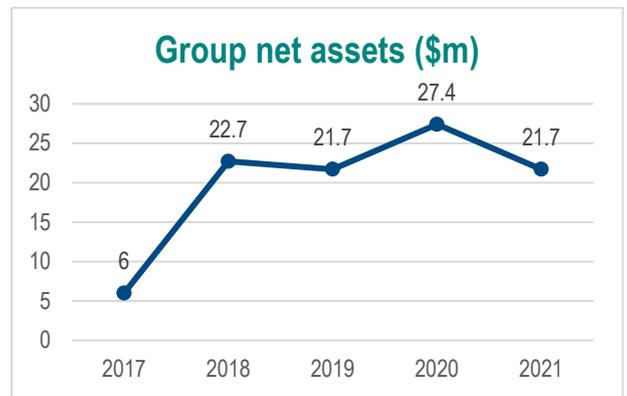
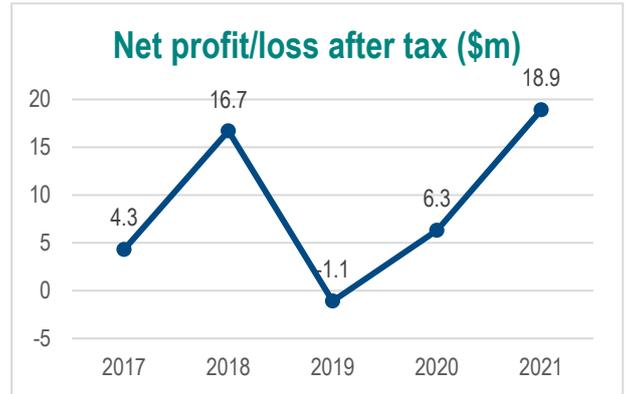
\$12.6 million increase in net profit



The Group's net asset position at year end was \$21.7 million



\$25.0 million was distributed to shareholders during the year



EXECUTIVE CHAIRMAN'S REPORT

Despite the restrictions arising from the Covid-19 pandemic, the past year has been both profitable and rewarding for RFC Ambrian, with the Company consolidating its position as a leading adviser and investor in enterprises at the forefront of technological advances in the minerals industry.

The companies which the Group held material strategic investment positions in at the commencement of the year in disruptive mineral sector, namely: Chrysos Corporation Ltd and NextOre Limited, both of which RFC Ambrian co-founded, continued their outstanding performance and value growth during the past year.

Concurrently our advisory business has undertaken some significant assignments including some which have generated material investment positions for us in emerging new future sustainability sectors such as clean energy and battery metals development. A particular notable one being the role we recently completed as corporate adviser and lead manager to the IPO of battery metals company, Lykos Metals Limited on the ASX, being a process through which we earned an approximate 7% interest in this exciting new company.

Chrysos has now advanced to a stage where it looks set to complete an IPO on the ASX during the early months of 2022 at a valuation of over \$500 million with NextOre following a similar trajectory, albeit 12-18 months behind that of Chrysos.

In recognition of the maturing nature of these investments and to manage the expectations of certain shareholders who were no longer full-time employees of the RFC Ambrian group of companies, in September-October 2020 we completed a restructuring exercise which saw the whole of our investment in Chrysos Corporation and the majority of our investment in NextOre being separated from the remaining business and investments. The ultimate plan being that these interests in Chrysos and NextOre would be distributed to the then shareholders in RFC Ambrian Group Limited in advance of the proposed Chrysos Corporation IPO on the ASX in 2022.

This process led to a distribution to shareholders of approximately \$25 million. A further outcome of this transaction process was the return of ownership of RFC Ambrian Group Limited fully to directors and full-time employees of the RFC Ambrian group of companies.

Our technology companies continued to win awards, with NextOre and CSIRO jointly winning the Knowledge Commercialisation Australia 2021 award for best licensing deal, following Chrysos' 2020 win for best commercialisation. Chrysos, in December 2020 won the South Australian Premier's ETS Sector Productivity Improvement Award and also was a finalist in the Austmine 2021 awards in the METS innovation category.

During the year we continued our investment and advisory role with Conveyor Manufacturers Australian Pty Ltd, with that business continuing to develop well and in accordance with our expectations.

We have also continued to work with CSIRO and the US Department of Energy's National Renewable Energy Laboratory (NREL) throughout the year on the establishment of a Science Incubator and our \$75 million Basic Industries Venture Fund (BIVF). This advancing well and we anticipate a first close will be achieved in the not too distant future.

For the 2020-21 financial year RFC Ambrian reported a consolidated profit after tax of \$18.9 million and a net asset position at the end of the financial year of \$21.7 million, being net of the \$25 million distribution to shareholders mentioned earlier in this report.

This is a very pleasing outcome, and the 2021-22 financial year has started off well with the advisory business continuing to generate solid revenue and profitability and the investment positions demonstrating further value growth.

Thank you to all our staff for all your hard work and to our clients and business partners for your support during the year.



Rob Adamson
Executive Chairman

GROUP DIRECTORS



Rob Adamson
Executive Chairman

BE (Mech) (UWA), BE Hons (Ag) (Melb), MBA (AGSM)

After starting his career with Anglo American, Rob joined RFC Ambrian's predecessor firm Resource Finance Corporation during 1990, rising to Managing Director.

In 2001 he led a management buy-out and is now the Executive Chairman of the Group. He has been involved in numerous transactions in the mining, oil and gas and related industry sectors, and has extensive knowledge of the resources sector. He has also led numerous company-wide asset reviews and has provided strategic advice to CEOs and boards.

Rob has worked in multiple jurisdictions, including Australia, Africa, South America, the US, Canada and Asia, and has an extensive global network of friends and contacts in the resources sector.



Stephen Allen
Managing Director

FCA (England & Wales), CA (Aust & NZ)

Stephen joined RFC Ambrian's predecessor firm Resource Finance Corporation in 2000, was part of the 2001 management buy-out group and was appointed Managing Director in 2019.

He has over 25 years of senior level experience in resource sector corporate finance, during which he has developed a global network of business relationships.

During his career, Stephen has worked internationally with companies and entrepreneurs in the precious metals, base metals, bulk commodities and energy sectors on strategic matters and transactions, with many of the deals completed involving cross-border issues.



Andrew Thomson
Executive Director

BE (Mining) (UniSA), LLB (Macquarie) GDipAppFin (FINSIA)

Andrew joined RFC Ambrian in 2007 and has over 20 years experience in the mining industry.

Earlier in his career Andrew undertook a number of mining engineering roles across a broad range of activities, projects and commodities, spanning operational, planning and consulting environments with MacMahon, Rio Tinto, Snowden Mining Consultants and BHP Billiton.

At RFC Ambrian Andrew has been involved in a range of corporate advisory mandates, including M&A, divestments and capital raisings, as well as advising on matters of strategy and development, where his well-rounded technical expertise in mining provides an enhanced project analysis capability.

SENIOR MANAGEMENT



Candice Van Der Plas
Company Secretary

LLB (UNDA), GDipConstrLaw (UNDA)

Candice has over 15 years legal experience and holds a Bachelor of Laws and Graduate Certificate in Building & Construction Law from the University of Notre Dame Australia.

Candice has also completed professional training in International and Domestic Arbitration Law and Practice.



Stefan Skorut
Executive Director

BEng (Mining), BE Commerce (Finance) (UNSW), CFA

Since joining RFC Ambrian in January 2016, Stefan has advised on multiple successful M&A transactions.

He has strong financial modelling skills and significant recent experience working alongside oil and gas teams in conventional and unconventional opportunities across all major basins in Australian and New Zealand.

Stefan has first-hand operational experience working at Glencore's Mount Isa Copper Operations, Ernest Henry Mine and at Lyondell Basel's Clyde Polypropylene plant.



Charlie Cryer
Head of Corporate Broking

BEng (Mining) (Leeds), PostDip (Environmental Science) (Brunel)

Since his early stints in the oil and gas and mining sectors in the North Sea and Western Australia respectively, Charlie has worked in international financial markets, initially as a research analyst covering precious metals, and subsequently as an emerging market equity salesman with a natural resources specialism.

Charlie has operational experience with leading UK and European investors on both global emerging markets and the EMEA (Europe, Middle East and Africa) region. These included leading financial institutions from Japan, the US, Canada and South Africa.

OPERATIONS REPORT

Over the past year we have continued to see the focus of our business move towards advising companies which are at the leading edge of technological developments in the minerals industry and those which will support sustainability including those in the battery metals space. Innovation has also been the focus of our investment activities.

Corporate Finance and Corporate Broking

Through the year we have continued to operate from bases in Sydney, Perth and London and have learned further how to operate effectively despite the ongoing travel restrictions arising from the pandemic.

Revenue for advisory work for the year was broadly consistent with the previous year, however, we benefited substantially in terms of profitability from cost reduction measures introduced towards the end of the previous financial year.

As we'd anticipated a year ago 2020-21 developed as a year of initially operating in a relatively cautious manner due to risks associated with the pandemic environment, to one of switching back towards more normal ways where we became more comfortable with taking on a greater weighting of work where the fees were aligned towards higher risk outcomes and our investment positions.

There were few changes to our staffing positions during the year and due to increased business levels, we have now set about expanding our corporate advisory team.

Investments

The core investment positions held at the beginning of the 2020-21 financial year were in disruptive mineral sector companies Chrysos Corporation Limited and NextOre Limited and both of these continued their outstanding performance and value growth during the past year with Chrysos now advanced to a stage where it looks set to complete an IPO on the ASX during the early months of 2022 at a valuation of over \$500 million and NextOre following a similar trajectory, 12-18 months after Chrysos.

As recorded in the Executive Chairman's Report, in September-October 2020 we completed a

restructuring exercise which saw the whole of our investment in Chrysos Corporation and the majority of our investment in NextOre being separated from the remaining business and investments. This exercise caused an approximate \$25 million distribution to shareholders, which is the most significant return to shareholders in a single year in over 20 years.

During the year we saw substantial value growth in an approximate 5% interest we retained in NextOre and developed an approximate 7% interest in emerging battery metals company Lykos Metals Limited, which completed a highly successful \$12 million IPO on the ASX in October 2021, with RFC Ambrian having acted as both corporate adviser and lead manager to IPO.

Outlook

From a corporate finance advisory perspective, the 2021-22 year has started off strongly with two transactions with revenue in the \$2 million plus range being expected to complete prior to 31 December 2021 and other mandates commenced which should close prior to 30 June 2022.

Our investment portfolio has also continued to demonstrate solid value growth, and for the 2021-22 year as a whole we are currently anticipating reporting a robust profit and return on capital employed.

Science Incubator and Basic Industries Venture Fund (BIVF)

As we noted last year, we had identified a gap in the innovation ecosystem for companies developing innovative technologies in metals & minerals, and other heavy industries. This is despite Australia being a world leader in the development of industrial technologies, particularly in mining. In minerals exploration, mining systems and methods, processing, and environmental management we punch well above our weight as a nation.

To meet the goals of the Paris Agreement and hold global temperature rise to less than 2°C the world will require vast quantities of metals and minerals (e.g., copper, nickel, lithium, etc.), the impact of which continues to be underappreciated by markets and policymakers.

For example, the amount of copper required to be produced over the next 20 years will likely equal as much as has been produced in all of time.

This at a time when copper deposits are facing declining grades, aging mines, and depleting resources. It is increasingly clear that extractive industries and innovation within them are critical to the future of the green economy.

One of clean technologies' dirty secrets or unintended consequences, is that the problem is often moved elsewhere - out of sight; very dirty power in third world countries used to build batteries can result net carbon footprint over the life-cycle of a car increasing; the production of permanent magnets from rare earths produces radioactive waste; there are many examples.

In our opinion, the move to a more sustainable economy should look to reduce humankind's overall environmental footprint on a per capita basis. This includes greenhouse gases, radioactive waste, plastics, energy use and water consumption. This is where Australia can have an impact on a global basis. We have deep experience and competitive advantages in heavy industries - we are leaders in mining innovation.

The Science Incubator is a technology support and development initiative to take Australia's world class research, developed within our Universities and the CSIRO, and to get it first customer ready. By taking technology to the point where it is ready to be deployed for the first customer and for beta testing in an operating environment, the Science Incubator addresses the first critical valley of death.

Regarding investment capital, the BIVF is an early-stage impact fund established to support both first customer deployment and early growth of technologies which make a difference within mining and heavy industries. Generally, the BIVF will provide funding to build and deploy the first customer unit, any subsequent modifications, and – assuming first deployment is successful – provides early growth capital to acquire additional customers and deployments.

The purpose of the Science Incubator and the BIVF is to rapidly transform more of the good science and technical innovation developed in Australia, to push it out into industry in an impacting and meaningful way.

We have found that building commercially successful businesses requires a combination of excellent science (from the CSIRO and Australian Universities) blended with the deep industry knowledge and commercial capability of RFC Ambrian.

We aim to incubate and fund these technologies which can materially reduce humankind's environmental impact on a per capita basis, all the while playing to Australia's competitive advantage. We passionately believe the Science Incubator and impact fund will address considerable blind spots in the supply chain for climate tech and other green technologies.

Did we make progress during the year?

We did continue to make progress during the year.

Following last year's registration of an Early-Stage Venture Capital Limited Partnership (ESVCLP) and conditional registration with Innovation Australia, the team completed a comprehensive Information Memorandum which is being used to secure funding commitments for the BIVF. Several parties are engaged in detailed due diligence including high net worth individuals, global and mid-tier mining corporates, and technology companies looking to build early relationships with emerging technologies working with RFC Ambrian.

We are extremely excited about our robust pipeline of commercialisation and investment opportunities and look forward to bringing several transformational technologies to market which will both strengthen the operations of heavy industries whilst reducing their impact on our planet.

While the due diligence and fundraise process for the BIVF has proven to be lengthy, we are reminded that what we are planning is a first in Australia. As noted earlier, our technology businesses have continued to grow, and we are confident that each has the scope to be a billion-dollar business.

The returns generated by these businesses are compelling and speak to our capabilities as investment managers. Since 2017, RFC Ambrian plus friends, family, and high net worth individuals have invested A\$27M cash into three technologies (Chrysos, NextOre and CMA). The mark-to-market value of this investment today is approximately A\$230M, implying 9x uplift on the value of the portfolio, and we are expecting significant further uplift as Chrysos and NextOre are both through the adoption inflection point with CMA rapidly approaching first commercial deployment.

In addition to creating value for investors, each of these technologies has a significant and quantifiable impact on the environmental footprint and/or worker safety in heavy industry. For example, each tonne of ore sorted and removed with NextOre's technology saves 0.5 – 1.0 tonnes of water and avoids significant energy consumed in mineral processing. This results in greener and lower-impact production of copper, a commodity critical to electrification and clean tech.

A key milestone in the coming year will be the Chrysos Corporation IPO on the ASX. If this progresses as planned, this will generate considerable returns for Series A and Series B investors, and accordingly we are planning to conduct a first close of the BIVF in the first quarter of 2022.

We are also encouraged by the rhetoric from the State and Federal Government regarding policy to support innovation mining technology in Australia, and have engaged at both the State and Federal level seeking support for what we are doing.

INVESTMENTS REPORT

With Chrysos Corporation and NextOre having become fully independent, it has been both a positive and transitional year of RFC Ambrian's investment holdings.

Over the past few years, we have invested heavily in the development of innovative minerals sector disruptive technology companies Chrysos Corporation and NextOre which have developed ground-breaking businesses in the assay services and ore sorting respectively.

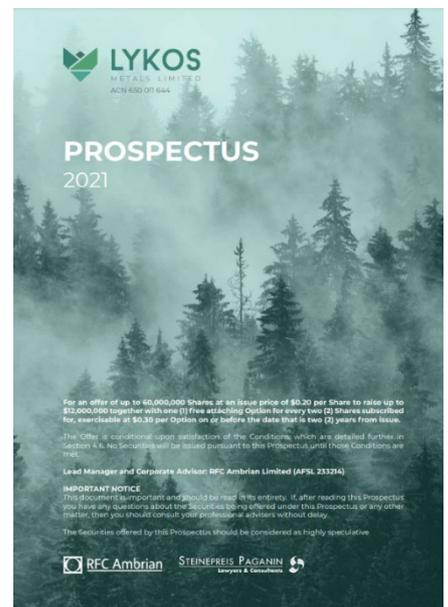
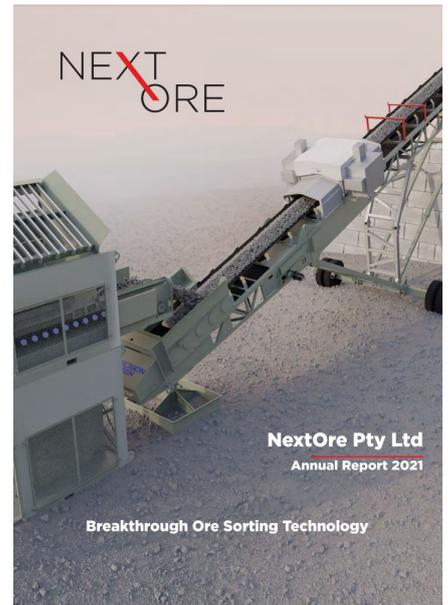
2020/21 has been a watershed year for both companies with them becoming fully independent of RFC Ambrian, other than as far as our equity interest was concerned. These investment positions had become very material in the context of the overall financial position of RFC Ambrian Group Limited, and in September – October 2020 a financial restructure was undertaken which resulted in the separation from RFC Ambrian Group Limited of the whole of the investment in Chrysos Corporation and the majority of the interest in NextOre. The conclusion of this separation process will ultimately see these shareholdings held directly by the shareholders of RFC Ambrian Group Limited as they stood in September 2020, when the separation occurred.

Chrysos Corporation has developed substantially as a company over the past year, winning further awards and generating a profit after tax for the year of around A\$4 million. By mid 2021 Chrysos had reached an inflection point with the acceptance of its revolutionary PhotonAssay technology being generally preferred by miners over traditional fire assay processes. This has led to a significant increase in the level of orders by both miners and assay laboratories to lease Chrysos PhotonAssay machines. To fund this growth Chrysos completed a A\$50 million equity issue in September 2021 through Morgan Stanley which valued Chrysos as a whole at approximately A\$500 million and Chrysos is understood to be at an advanced stage of preparation for an IPO on the ASX in early 2022.

It is very satisfying to RFC Ambrian to have played a pivotal role in the establishment of what looks set to become a great new ASX listed company based upon the development of a scientific idea into a full and highly profitable commercial operation and our Executive Chairman Rob Adamson is continuing with his role as Chairman of the Chrysos board.

As with Chrysos, NextOre has advanced rapidly during the past year with the first full commercial deployment of its MR Ore sorting equipment at a major mine site, and the expansion of its product suite. By mid 2021 it was evident that NextOre's business had reached an inflection point similar to the one which Chrysos had achieved with the wide acceptance by miners of the benefits of using NextOre's MR Ore sorters. It is therefore anticipated that NextOre will see significant value growth during the coming year as it further deploys its equipment on mine sites globally, creating significant efficiencies in mining operations and helping miners meet their sustainable development goals. As with Chrysos, RFC Ambrian's Rob Adamson is the chairman of NextOre, with Stephen Allen being an alternate director to Rob on the NextOre board.

At 30 June 2021 RFC Ambrian Group Limited retained 510,000 NextOre shares which represents an interest of approximately 4.4% of NextOre which was our most material investment holding at the end of the financial year. The second largest holding was an approximate 15.4% interest in Conveyor Manufactures Australia ("CMA") which is developing and commercialising a range of innovative belt conveyor technologies. CMA has two flagship products in (i) the Redline underground conveyor system which significantly reduces manual handling and virtually eliminates downtime associated with conveyor extension and retraction activities, and (ii) the Containerveyor overland conveyor system which is a rapidly deployable, easily relocatable surface conveyor suitable for truck replacement and reduction of environmental impact from material haulage activities.



During the second half of the 2020/21 year we became heavily involved in the creation of a battery metals focussed company called Lykos Metals Limited (“Lykos”), with this company listing on the ASX in October 2021 through an IPO lead managed by us which raised a total of \$12 million.

Lykos is focused on the advancement of three projects located in Bosnia and Herzegovina on the Tethyan Mineral Belt, which have been identified as highly prospective for nickel, cobalt, copper, gold, and range of other minerals critical to the production of batteries and other green energy related products.

RFC Ambrian earned an interest of approximately 6.6% in Lykos which made it the second largest shareholder in the company at the time of the IPO. Lykos had a stellar debut on the ASX, trading at a significant premium to the IPO price in the days following its IPO. The company is progressing rapidly with its geological program and intends to twin some historic shallow high grade nickel holes in the coming weeks.

We believe that Lykos has very exciting projects directly linked to the new green economies, and it is evident that the Balkan region is developing as a minerals hot spot. We are anticipating that we will see further substantial growth in the value of Lykos during 2021/22 and we are continuing to have a role in advising and assisting the company.

We are also at earlier stages on some other new investments which we believe have the scope to generate significant value for the group in the coming years, all of which are based on technological advances suited to the modern green economic developments.



*Above: RFC Ambrian’s Stephen Allen, Cian Caffrey and Candice Van der Plas together with directors and other key advisers to the Lykos IPO on the opening day of trading of Lykos in the ASX on 21 October 2021

OUR VALUES



Environmental, Social and Governance Principles

RFC Ambrian has always maintained strong environmental, social, and corporate governance ('ESG') principles in all of its activities. It is fundamental to maintaining our position as a leading independent adviser and investor in the natural resources space. We are committed to investing and partnering with companies that not only share our principles, but also demonstrate a history of strict legal compliance, local community engagement and sustainability practices. We believe embedding ESG practices throughout our business assists us to deliver superior results and provides our clients with comfort.



Environment and Sustainability

It is important that the activities of those we engage with are monitored and managed so that their impact on the environment is minimised and the natural long-term health of the area is protected. We invest and partner with companies that; maintain a robust environmental risk management plan; employ market-leading environmental standards; apply robust science to their approach; ensure materials, energy and resources are used efficiently; minimise use of hazardous and environmentally harmful materials and have contingency plans in the event of containment failure; monitor, report, accurately disclose and actively seek to improve environmental and sustainability performance.



Community Engagement

We expect companies we engage with to develop meaningful relationships and social programmes with communities associated with their operations. We invest and partner with companies that; maintain an open dialogue with affected communities; created shared value through community and social investment; seek to maximise local engagement in operations; demonstrate an awareness of cultural sensitivities and respect for local customs and rights; and engage with community leaders and local authorities to ensure any development plans have input from relevant stakeholders.



Governance and Compliance

We maintain strict compliance with domestic and international corporate governance standards and seek to invest and partner with companies that adhere to those standards. These include ethical and responsible decision making; compliance with anti-bribery and corruption rules and regulations; a strong foundation for management and oversight; structures to safeguard financial reporting; respect the rights of all stakeholders; fair remuneration to employees; and promotion of inclusivity and diversity, including through investing in training and educational programmes.



Health and Safety

A strong health and safety track record is crucial to the long-term success of a business. We invest and partner with companies that; implement a systematic and positive approach to health and safety; fully comply with relevant laws and regulations and are proactive about applying standards where legal requirements do not exist; ensure safety training is sufficient at all levels; promote health and safety awareness and maintain a supportive culture; and monitor, report and accurately disclose health and safety performance.



RFC Ambrian Group Limited and Controlled Entities

ABN 98 096 493 588

Financial Report
for the year ended 30 June 2021

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Directors' Report

The directors present their report on RFC Ambrian Group Limited (the "Company") and its controlled entities (together the "Economic Entity") for the financial year ended 30 June 2021.

Directors

The following persons were directors of the Company during the financial year and up to the date of this report:

- Robert HR Adamson
- Stephen C Allen
- Andrew J Thomson
- Stephen R Weir – resigned 6 October 2020

Principal Activity

The principal activity of the Economic Entity during the financial year was the provision of corporate advisory services and investment.

Operating Results

The Economic Entity recorded a profit after tax attributable to Equity Holders of the Company for the year ended 30 June 2021 of \$18,914,702. For the previous year the Economic Entity recorded a profit attributable to Equity Holders of the Company of \$6,264,290.

Significant Changes in State of Affairs

The Company completed a corporate restructure in September - October 2020, the primary steps in this restructure having been:

- On 29 September 2020 a new company called Alchemy Portfolio Holdings Pty Ltd was incorporated and interposed between RFC Ambrian Group Limited and its shareholders, this action being completed under the scrip for scrip rollover exemption from Capital Gains Tax.
- The directors of Alchemy Portfolio Holdings Pty Ltd upon incorporation were RFC Ambrian Group Limited executive directors Rob Adamson and Stephen Allen and RFC Ambrian Group Limited non-executive director Stephen Weir and on 6 October 2020 Stephen Weir resigned from the board RFC Ambrian Group Limited, which at the time was a wholly owned subsidiary of Alchemy Portfolio Holdings Pty Ltd. The board of RFC Ambrian Group Limited from that date has been three executive directors only, namely: Rob Adamson, Stephen Allen and Andrew Thomson.

Directors' Report

- On 5 October 2020 a new 100% subsidiary of RFC Ambrian Group Limited was incorporated called Quadratura Investments Pty Ltd and on 21 October 2020 pursuant to an agreement between companies in the Group, certain investment interests of the 100% owned subsidiary of RFC Ambrian Group Limited, Alchemy Securities Pty Ltd were transferred from that subsidiary to the newly incorporated Quadratura Investments Pty Ltd, such that Alchemy Securities Pty Ltd was left with:
 - o assets of shares held in Early Stage Investment Companies, Chrysos Corporation Limited and NextOre Pty Ltd for a combined value based on the 30 June 2020 consolidated accounts of \$25,010,575; and
 - o no debt.
- On 21 October 2020 the number of issued shares in RFC Ambrian Group Limited was reduced to 4,938.
- On 22 October 2020 the 100% interest in the share capital of Alchemy Securities Pty Ltd was transferred from RFC Ambrian Group Limited to Alchemy Portfolio Holdings Pty Ltd this transaction being completed within the consolidated tax group and therefore not having any taxation implications.
- On 30 October 2020 the ownership of the 4,938 shares in RFC Ambrian Group Limited was transferred to its executive directors and certain other employees of the company and its subsidiaries at an agreed fair market price which was agreed to by all the shareholders in Alchemy Portfolio Holdings Pty Ltd who were not participating in the acquisition of the shares in RFC Ambrian Group Limited from Alchemy Portfolio Holdings Pty Ltd.
- The net effect of these transactions is that at 31 October 2020:
 - o the issued shares of RFC Ambrian Group Limited had reduced to 4,938 shares with these shares all being owned by interests associated with the company's executive directors and employees of the company and its subsidiaries; and
 - o the net assets of the consolidated group reduced by \$25,010,575 through the demerger of Alchemy Securities Pty Ltd.

Events After the Balance Sheet Date

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

Dividends Paid or Declared

No dividends were paid during the year.

COVID-19

The pandemic remains ongoing and this provides an additional layer of risk to the operating environment for the Economic Entity. Nevertheless, the minerals sector in which the Economic Entity's business is focussed has proven to be robust and the directors believe that against this backdrop and the reduced operating costs, the Economic Entity's business operations and financial position are stable and sustainable.

Directors' Report

Future Developments

The Economic Entity expects to continue operations in future financial years in the same manner as it is currently operating.

Environmental Reporting

The Economic Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors and Secretary in office at the date of this report

Robert Henry Richard Adamson

Qualifications BE (Mechanical) (UWA); BE Hons (Ag) (Melb); MBA (AGSM)

Experience Rob has over 35 years professional experience, including 30 years in corporate advisory and investment with RFC Ambrian group companies having previously worked with Anglo American Corporation in South Africa. Rob is Executive Chairman of RFC Ambrian Group Limited, and is also a Director of each of its subsidiaries. Rob is also the Chairman of resource sector technology companies Chrysos Corporation Limited and NextOre Pty Ltd.

Stephen Charles Allen

Qualifications FCA (England & Wales), CA (Aust & NZ)

Experience Stephen has over 30 years of corporate finance experience including the last 22 years with RFC Ambrian. His focus is advising resource companies on matters ranging from IPOs, secondary capital issues, restructures, mergers and takeovers. Stephen is Managing Director of RFC Ambrian Group Limited and is also a Director of each of its subsidiaries.

Andrew Thomson

Qualifications BE (Mining) (UniSA), LLB (Macquarie) GDipAppFin (FINSIA)

Experience Andrew has approximately 25 years' experience in the mining industry including 15 years with RFC Ambrian. Earlier in his career Andrew undertook a number of mining engineering roles across a broad range of activities, projects and commodities, spanning operational, planning and consulting environments with Macmahon, Rio Tinto, Snowden Mining Consultants and BHP Billiton. In the period he has been with RFC Ambrian Andrew has been involved in a range of corporate advisory mandates, including M&A, divestments and capital raisings, as well as advising on matters of strategy and development, where his well-rounded technical expertise in mining provides an enhanced project analysis capability.

Directors' Report

Candice Van Der Plas (Secretary)

Qualifications	LLB (UNDA), GDipConstrLaw (UNDA)
Experience	Candice has over 15 years legal experience and holds a Bachelor of Laws and Graduate Certificate in Building & Construction Law from the University of Notre Dame Australia. Candice has also completed professional training in International and Domestic Arbitration Law and Practice.

Meetings of Directors

During the financial year, 2 meetings of directors were held. Attendances by each of the directors during the year were:

	Number eligible to attend	Number attended
Robert HR Adamson	2	2
Stephen C Allen	2	2
Andrew J Thomson	2	1
Stephen R Weir	1	1

Indemnifying Officers or Auditor

The Economic Entity has, to the extent permitted by law, entered into agreements to indemnify its directors and officers for all losses or liabilities incurred as an officer of the Economic Entity or a related company. This includes losses or liabilities incurred as an officer of a company where such office is held for the benefit of the RFC Ambrian Group.

The Economic Entity also maintains and pays for insurance against any liability incurred by its directors or officers as officers of the Economic Entity or a related company including, but not limited to, a liability for negligence and for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome. Premiums are paid on behalf of the Economic Entity by its parent. These contracts of insurance prevent disclosure of the amounts paid in premium for this insurance.

No claim has been made against or by the Economic Entity in relation to any such indemnities or insurance policies since the last directors' report.

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

Proceedings on Behalf of the Economic Entity

No person has applied for leave of Court to bring proceedings on behalf of the Economic Entity or intervene in any proceedings to which the Economic Entity is a party for the purpose of taking responsibility on behalf of the Economic Entity for all or any part of those proceedings. The Economic Entity was not a party to any such proceedings during the financial year.

Directors' Report

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 6.

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



RH ADAMSON
Executive Chairman



SC ALLEN
Managing Director

Dated 27 October 2021

27 October 2021

The Directors
RFC Ambrian Group Limited
Grosvenor Place Tower
Level 34, 225 George Street
Sydney, NSW 2000

Dear Board Members

RFC Ambrian Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of RFC Ambrian Group Limited.

As lead audit partner for the audit of the financial report of RFC Ambrian Group Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

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

This declaration is in respect of RFC Ambrian Group Limited and the entities it controlled during the year.

Yours sincerely



Crowe Sydney



Barbara Richmond

Partner

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

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Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Note	Economic Entity	
		2021 \$ '000	2020 \$ '000
Revenue from continuing operations	2(b)	29,771	7,376
Employee benefit expenses		(2,766)	(3,224)
Occupancy expenses	2(a)	(180)	(868)
IT costs, telecoms & media expenses		(325)	(404)
Marketing expenses		(13)	(36)
Travel expenses		(10)	(48)
Insurance expenses		(81)	(95)
Depreciation	2(a)	(325)	(73)
Finance costs	2(a)	(170)	(86)
Bad debt expense		-	(100)
Unrealised losses on financial assets	2(a)	(162)	(2,537)
Other expenses		(259)	(364)
(Loss)/profit before income tax		25,480	(459)
Income tax benefit/(expense)	3	(6,565)	6,723
Net (loss)/profit after income tax for the year		18,915	6,264
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	19	(6)	99
Other comprehensive income for the year, net of tax		(6)	99
Total comprehensive (loss)/income for the year attributable to members of the Economic Entity		18,909	6,363

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

Statement of Financial Position as at 30 June 2021

	Note	Economic Entity	
		2021	2020
		\$ '000	\$ '000
CURRENT ASSETS			
Cash and cash equivalents	17(a)	149	53
Trade and other receivables	5	491	329
Other assets	6	1,166	1,582
Financial assets at fair value through profit or loss	7	1,010	1,401
Security deposits	18	-	78
TOTAL CURRENT ASSETS		2,816	3,443
NON CURRENT ASSETS			
Financial assets at fair value through profit or loss	7	27,733	26,571
Security deposits	18	221	138
Plant and equipment	9	206	44
Right of use asset	10	1,032	933
Deferred tax asset	11	442	938
TOTAL NON CURRENT ASSETS		29,634	28,624
TOTAL ASSETS		32,450	32,067
CURRENT LIABILITIES			
Trade and other payables	12	1,438	838
Borrowings	13	485	1,193
Provisions	14	719	394
Current tax liability	15	2	-
TOTAL CURRENT LIABILITIES		2,644	2,425
NON CURRENT LIABILITIES			
Trade and other payables	12	1,103	834
Borrowings	13	485	969
Provisions	14	42	37
Deferred tax liability	15	6,434	366
TOTAL NON CURRENT LIABILITIES		8,064	2,206
TOTAL LIABILITIES		10,708	4,631
NET ASSETS		21,742	27,436
EQUITY			
Issued Capital	16	652	221
Retained earnings		20,727	26,846
Foreign currency translation reserve	19	363	369
TOTAL EQUITY		21,742	27,436

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

Statement of Changes in Equity for the year ended 30 June 2021

	Issued Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
ECONOMIC ENTITY				
Balance at 30 June 2019	136	21,251	270	21,657
Total comprehensive income for the year				
Profit attributable to members of the Economic Entity	-	6,264	-	6,264
Other comprehensive income, net of tax	-	-	99	99
Total comprehensive income for the year	-	6,264	99	6,363
Transactions with owners in their capacity as owners				
Re-acquisition of shares	(13)	-	-	(13)
Contributions	98	-	-	98
Dividends paid	-	(669)	-	(699)
Transactions with owners in their capacity as owners	85	(669)	-	(584)
Balance at 30 June 2020	221	26,846	369	27,436
Total comprehensive income for the year				
Profit attributable to members of the Economic Entity	-	18,915	-	18,915
Other comprehensive income, net of tax	-	-	(6)	(6)
Total comprehensive income for the year	-	18,915	(6)	18,909
Transactions with owners in their capacity as owners				
Demerger distribution	-	(25,034)	-	(25,034)
Contributions	431	-	-	431
Transactions with owners in their capacity as owners	431	(25,034)	-	(24,603)
Balance at 30 June 2021	652	20,727	363	21,742

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial report

Statement of Cash Flows for the year ended 30 June 2021

	Note	Economic Entity	
		2021	2020
		\$ '000	\$ '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		4,168	4,670
Payments to suppliers and employees (inclusive of GST)		(3,282)	(5,243)
Interest received		2	4
Income tax paid/(received)		-	30
Finance costs		(170)	(86)
Net cash (used in) by operating activities	17(b)	718	(625)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of investments		617	2,231
Payments for investments		(100)	(281)
Lease payments - ROU		(196)	-
Payments for plant and equipment		(235)	(20)
Net cash provided by/(used in) investing activities		86	1,930
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		-	(261)
Contributions to shares		-	85
Payment of dividends		-	(669)
Net cash (used in) financing activities		-	(845)
Net Increase/(Decrease) in cash held		804	460
(Overdraft)/cash at beginning of financial year		(655)	(1,115)
Cash at the end of the financial year	17(a)	149	(655)

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial report

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the Economic Entity is not a reporting entity.

RFC Ambrian Group Limited is a public company limited by shares, incorporated and domiciled in Australia.

The amounts contained in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) pursuant to the option available under ASIC Class order 2016/191. The RFC Ambrian Group Limited is a company to which this class order applies.

New or Amended Accounting Standards and Interpretations Adopted

The Economic Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

In the directors' opinion, the Company and the Economic Entity are not reporting entities because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to the owners of the Economic Entity. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the Economic Entity.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied as for profit entities.

The following is a summary of the material accounting policies adopted by the Economic Entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity RFC Ambrian Group Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 8 to the financial statements. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit and loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

RFC Ambrian Group Limited and its 100% Australian owned subsidiaries have formed a tax consolidated group. RFC Ambrian Group Limited, as the head company of the tax consolidated group, is responsible for recognising the current tax liabilities for the tax consolidated group.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Economic Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Furniture and fittings and leasehold improvements	7.5% - 20%
Office equipment	5% - 20%
Computer equipment	24% - 33%
Computer software	33% - 40%

(d) Financial Assets

Recognition

Financial assets are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured at fair value being closing market price (on each relevant company's home exchange) at the end of the financial year. Unlisted securities are valued by Directors, unless otherwise noted. The gains or losses, whether realised or unrealised, are included in profit before income tax.

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(e) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(f) Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(g) Revenue

Revenue from the provision of corporate advisory and fund management services is recognised upon the delivery of the service to the clients.

Underwriting fees are brought to account upon completion of the relevant transactions after allowing for all relevant expenses.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

(h) Goods and Services Tax (GST)

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

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(i) Critical Accounting Estimates and Judgements

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Investment Valuation

Investment securities listed on a stock exchange are valued at the last traded price in the market prior to the date of the accounts. Options to subscribe for shares in companies listed on stock exchanges for which the options themselves are not listed are valued at their in the money value based on the last traded price of the optioned shares in the market prior to the date of the accounts. The directors' view being that the nature of the Group's investment in these types of securities is such that it would be imprudent to recognise any time value. Interests in unlisted companies are recorded at directors' valuations.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Recovery of deferred tax assets

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

Long service leave provision

As discussed in note 1(p), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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

Useful lives of assets

The entity determines the useful lives and related depreciation for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or other events. The depreciation charge will increase where the useful lives are less than previously estimated lives.

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(k) Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Economic Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Economic Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(l) Trade Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed based on expected credit losses. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the entity will not be able to collect all amounts due according to the original terms. Objective evidence of impairment includes financial difficulties of the debtor, default payments or debts more than 90 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(m) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the entity prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

(o) Wages and Salaries, and Annual Leave

Liabilities for wages and salaries, and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

(p) Provisions

Long Service Leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Employee Benefits

The employee benefits provision relates to staff bonuses. The group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(q) 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.

(r) Dividends

Dividends are recognised when declared during the financial year.

(s) Foreign currency translation

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not translated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD (the Group's presentation currency) are translated into AUD upon consolidation. The functional currency of the entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate.

(t) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(u) Accounting Standards Issued But Not Yet Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021.

(v) Comparative Figures

Where required by accounting standards, the reclassification of comparatives has been performed in order to conform to the changes in presentation for the current financial year.

	Economic Entity	
	2021	2020
	\$ '000	\$ '000

NOTE 2: PROFIT/(LOSS) FOR THE YEAR

Profit/(Loss) before income tax
 has been determined after:

(a) Expenses

Occupancy expenses	180	868
Unrealised/realised losses on financial assets	162	2,537
Depreciation of property, plant and equipment	73	73
Depreciation of right for use leases	283	-
Finance costs	170	86
Remuneration of auditor:		
audit	61	58
other services - tax compliance	5	7
	<u>5</u>	<u>7</u>

(b) Revenue

Advisory fees	4,360	5,325
Interest income	2	4
Government grants	210	176
Unrealised/realised gains on sale of financial assets	25,200	1,860
(Losses)/gains recognised on foreign currency	(1)	11
	<u>29,771</u>	<u>7,376</u>

Notes to the Financial Statements for the year ended 30 June 2021

Economic Entity	2021	2020
\$ '000	\$ '000	\$ '000

NOTE 3: INCOME TAX (BENEFIT)/EXPENSE

The components of tax (benefit)/expense comprise:

Current tax	497	1,107
Deferred tax	6,068	(7,830)
	6,565	(6,723)

The prima facie tax on profit before tax is reconciled to actual income tax as follows:

Prima facie tax payable on (loss)/profit before income tax at 25% (2020: 27.5%)	7,057	(126)
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Add/(deduct) tax effect of:

Amendment to provision regarding capital profits on investments	-	(6,549)
Tax exempt earnings during the year	(281)	(232)
Difference of tax rates of subsidiaries operating in other jurisdictions	59	148
Effect of rate change on opening balance	(270)	36
Non deductible expense	-	-

Income tax (benefit)/expense	6,565	(6,723)
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NOTE 4: DIVIDENDS

Paid or declared during the financial year	-	670
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Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.

	-	78
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Notes to the Financial Statements for the year ended 30 June 2021

Economic Entity

2021 **2020**
\$ '000 **\$ '000**

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	51	418
Provision for doubtful debts	-	(100)
Intercompany loan	440	-
Other debtors - staff	-	1
Sundry debtors	-	10
	<hr/>	<hr/>
	491	329
	<hr/>	<hr/>

Economic Entity

2020 **2019**
\$ '000 **\$ '000**

NOTE 6: OTHER ASSETS (CURRENT)

Prepayments	261	149
Contract assets (work in progress)	300	566
Accrued Income	605	867
	<hr/>	<hr/>
	1,166	1,582
	<hr/>	<hr/>

Notes to the Financial Statements for the year ended 30 June 2021

	Economic Entity	
	2021	2020
	\$ '000	\$ '000
NOTE 7: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
CURRENT		
Listed securities in corporations at market value	625	1
Unlisted securities and options in corporations at directors' valuation	385	1,400
	1,010	1,401
NON CURRENT		
Unlisted securities and options in corporations at directors' valuation	27,733	26,571
	27,733	26,571

At 30 June 2021 the Economic Entity held 510,000 shares in NextOre Pty Ltd ("NextOre"), representing 4.3% interest in that company. NextOre has developed a breakthrough ore sorting technology which by 30 June 2021 had reached the point of securing sales to industry leading mining companies. The business has advanced significantly during the year causing a material increase in the value of the shares in the Company and the Company engaged BDO Corporate Finance (WA) Pty Ltd ("BDO") to assess the value of the NextOre shares at 30 June 2021 with BDO concluding on a valuation range of \$17.66 to \$150.97 per NextOre share with a preferred valuation of \$51.81 per share. The value has been determined using a discounted cashflow methodology incorporating a 10-year cash flow forecast. The directors' valuation of unlisted securities and options in corporations as at 30 June 2021 includes \$26,423,100 for the 510,00 NextOre shares held, made using the BDO preferred value per NextOre share. The 510,000 NextOre shares were held throughout the year ended 30 June 2021 and the revaluation of this shareholding has contributed \$24,893,100 to the unrealised gain on financial assets during the year referenced at note 2(b) to these financial statements (Revenue).

TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	28,743	27,972
--	--------	--------

Reconciliation of financial assets at the beginning and end of the financial year are set out below:

Opening value	27,972	29,145
Additions	1,437	1,840
Disposals	(618)	(2,493)
De-merger distribution	(25,034)	-
Revaluation during period	24,986	(520)
	28,743	27,972

NOTE 8: CONTROLLED ENTITIES AS AT 30 JUNE 2021

Notes to the Financial Statements for the year ended 30 June 2021

Operating

Subsidiary:	RFC Ambrian Limited	Copper Technology Limited	Quadratura Investments Pty Ltd
Country of Incorporation:	Australia	Australia	Australia
Percentage Owned:	100%	100%	100%
Subsidiary:	RFC Ambrian Limited	RFC Ambrian BIVF Management Pty Ltd	RFC BIVF GP Pty Ltd
Country of Incorporation:	England	Australia	Australia
Percentage Owned:	100%	100%	100%
Subsidiary:	RFC Basic Industries Ventures Investment Company 1 Pty Ltd		
Country of Incorporation:	Australia		
Percentage Owned:	100%		

Notes to the Financial Statements for the year ended 30 June 2021

	Economic Entity	
	2021	2020
	\$ '000	\$ '000
NOTE 9: PLANT & EQUIPMENT		
Furniture and fittings at cost	76	57
Less accumulated depreciation	(46)	(42)
	<u>30</u>	<u>15</u>
Office equipment at cost	124	124
Less accumulated depreciation	(121)	(119)
	<u>3</u>	<u>5</u>
Computer equipment at cost	255	245
Less accumulated depreciation	(244)	(237)
	<u>11</u>	<u>8</u>
Computer software at cost	67	67
Less accumulated depreciation	(67)	(67)
	<u>-</u>	<u>-</u>
Leasehold improvements at cost	686	509
Less accumulated depreciation	(524)	(493)
	<u>162</u>	<u>16</u>
Total Plant and Equipment	<u>206</u>	<u>44</u>

	Economic Entity	
	2020	2019
	\$ '000	\$ '000
NOTE 10: RIGHT OF USE ASSET		
NON CURRENT		
Office Lease	<u>1,032</u>	<u>933</u>

Notes to the Financial Statements for the year ended 30 June 2021

	Economic Entity	
	2021	2020
	\$ '000	\$ '000
NOTE 11: TAX ASSETS		
Deferred tax assets (non-current)	442	938
	<u>442</u>	<u>938</u>
NOTE 12: TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	708	261
Lease liability	263	64
Other creditors and accruals	467	513
	<u>1,438</u>	<u>838</u>
NON CURRENT		
Lease liability	1,103	834
	<u>1,103</u>	<u>834</u>
NOTE 13: BORROWINGS		
CURRENT		
CSIRO loan	485	485
Bank overdraft	-	708
	<u>485</u>	<u>1,193</u>
NON CURRENT		
CSIRO loan	485	969
	<u>485</u>	<u>969</u>

Notes to the Financial Statements for the year ended 30 June 2021

	Economic Entity	
	2020	2019
	\$ '000	\$ '000
NOTE 14: PROVISIONS		
CURRENT		
Employee benefits	300	-
Annual leave provision	201	172
Long service leave provision	218	222
	<u>719</u>	<u>394</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the require period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued annual leave provided or require payment within the next 12 months to the sum of \$80,000 (2020: \$60,000).

Included below are amounts that reflect leave that is not expected to be taken with the next 12 months

NON CURRENT		
Long service leave provision	<u>42</u>	<u>37</u>

	Economic Entity	
	2020	2019
	\$ '000	\$ '000

NOTE 15: TAX LIABILITIES

CURRENT		
Income tax (current)	<u>2</u>	<u>-</u>

NON CURRENT		
Deferred tax liabilities (non-current)	<u>6,434</u>	<u>366</u>

Notes to the Financial Statements for the year ended 30 June 2021

	Economic Entity	
	2021	2020
	\$ '000	\$ '000
NOTE 16: ISSUED CAPITAL		
4,938 ordinary shares (2020: 7,160 shares)	<u>652</u>	<u>221</u>

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

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

At 30 June 2020, 465 of the 7,160 shares on issue were held by the Company as treasury shares. At 30 June 2021 no shares were held by the Company as treasury shares.

Notes to the Financial Statements for the year ended 30 June 2021

Economic Entity

2021 **2020**
\$ '000 **\$ '000**

NOTE 17: THE STATEMENT OF CASH FLOWS

(a) Reconciliation to statement of cash flows

Cash at the end of the financial year in the statement of cash flows is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	149	53
Bank overdraft	-	(708)
	<u>149</u>	<u>(655)</u>

Economic Entity

2021 **2020**
\$ '000 **\$ '000**

(b) Reconciliation of cash flow from operations with (loss)/profit after income tax

(Loss)/Profit after income tax	18,915	6,264
Non-cash flows in profit:		
Depreciation	325	73
Unrealised losses/(gains) on financial assets	(25,200)	2,537
Realised (gains)/losses on financial assets	162	(1,860)
Loss on disposal	-	17
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(162)	144
Decrease in other assets	416	-
(Decrease) in payables & accruals	(632)	(299)
Increase in employee provisions	330	-
Increase/(decrease) in deferred income tax	6,564	(6,718)
Increase in foreign currency movement	-	14
Cash flow used in operations	<u>718</u>	<u>172</u>

Notes to the Financial Statements for the year ended 30 June 2021

Economic Entity

2021	2020
\$ '000	\$ '000

NOTE 18: CONTINGENT LIABILITIES

Guarantees to the National Australia Bank arising in relation to:

Security Deposit - secured - letter of set-off	221	216
	<u>221</u>	<u>216</u>

These contingent liabilities are covered by cash security deposits of \$221,082 (2020: \$216,365) which are not included in the cash at bank amount in the statement of financial position.

Economic Entity

2021	2020
\$ '000	\$ '000

NOTE 19: FOREIGN CURRENCY TRANSLATION RESERVE

Balance at beginning of year	369	270
Exchange differences arising on translating the net assets of foreign operations	(6)	99
	<u>363</u>	<u>369</u>

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Notes to the Financial Statements for the year ended 30 June 2021

	Parent Entity	
	2021	2020
	\$ '000	\$ '000

NOTE 20: PARENT ENTITY INFORMATION

The following information relates to the parent entity, RFC Ambrian Group Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

Current assets	4,665	2,826
Non-current assets	<u>3,082</u>	<u>3,625</u>
Total assets	<u><u>7,747</u></u>	<u><u>6,451</u></u>
Current liabilities	2,808	2,821
Non-current liabilities	<u>1,629</u>	<u>1,840</u>
Total liabilities	<u><u>4,437</u></u>	<u><u>4,661</u></u>
Issued Capital	652	221
Retained earnings	<u>2,657</u>	<u>1,570</u>
Total equity	<u><u>3,309</u></u>	<u><u>1,791</u></u>
(Loss)/profit for the year	1,087	(632)
Total comprehensive (loss)/income for the year	1,087	(632)

Guarantees in relation to subsidiaries

RFC Ambrian Group Limited has guaranteed the security deposits of subsidiaries amounting to \$221,082. (2020: \$216,365).

Contingent liabilities

RFC Ambrian Group Limited has no contingent liabilities other than those disclosed in Note 18.

Notes to the Financial Statements for the year ended 30 June 2021

NOTE 21: COVID-19

The pandemic remains ongoing and this provides an additional layer of risk to the operating environment for the Economic Entity. Nevertheless, the minerals sector in which the Economic Entity's business is focussed has proven to be robust and the directors believe that against this backdrop and the reduced operating costs, the Economic Entity's business operations and financial position are stable and sustainable.

NOTE 22: EVENTS AFTER THE REPORTING DATE

No Matter or circumstance has arisen which is not otherwise dealt with in this report or the financial statements since the end of the year that has significantly affected, or may significantly affect, the operations of the Economic Entity, the results of these operations, or the state of affairs of the Economic Entity in subsequent financial years.

NOTE 23: COMPANY DETAILS

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

RFC Ambrian Group Limited
Level 34, Grosvenor Place Tower
225 George Street
SYDNEY NSW 2000

Declaration by Directors

The directors have determined that the consolidated entity is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001 and is signed for and on behalf of the directors by:



RH ADAMSON
Executive Chairman



SC ALLEN
Managing Director

Dated 27 October 2021

Independent Auditor's Report to the Members of RFC Ambrian Group Limited

Disclaimer of Opinion

We were engaged to audit the special purpose financial report (the "financial report") of RFC Ambrian Group Limited (the Company) and Controlled Entities (the Group), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

The financial assets of the Company include an investment of 510,000 shares in NextOre Limited. At 30 June 2021, this investment has been valued at \$26,423,100, which represents over 80% of the Group's total assets. NextOre Limited has developed a breakthrough ore sorting technology which by 30 June 2021 had reached the point of securing sales to industry leading mining companies. Management have obtained an independent expert valuation of the shares, which has indicated a significant range in valuation (range between \$17.66 and \$150.97 per share), with a preferred value of \$51.81 per share. The value has been determined using a discounted cashflow methodology incorporating a 10-year cashflow forecast. Given the wide potential valuation range for NextOre Limited, we have been unable to form a view on the appropriateness of the selected \$51.81 per share value used by the directors in the preparation of the financial statements.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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As a result of this matter, we were unable to determine whether any adjustments might have been necessary in respect of the Group's Statement of Financial Position, Statement of Profit or Loss or Other Comprehensive Income and Statement of Changes in Equity for the year ended 30 June 2021.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Directors' Report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

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

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

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



Crowe Sydney



Barbara Richmond
Partner

27 October 2021
Sydney

