RAGNAR

METALS LTD.

ABN 12 108 560 069

ANNUAL REPORT
30 JUNE 2021

Corporate Directory

Current Directors

Steven Formica	*Non-executive Chairman*
Ariel (Eddie) King	*Executive Director*
David Wheeler	*Non-executive Director*

Company Secretary

Jessamyn Lyons

Registered Office

Street:	Level 3
	35 Outram Street
	West Perth WA 6005
Postal:	PO Box 1240
	West Perth WA 6872
Telephone:	+61 (08) 6245 2050
Facsimile:	+61 (08) 6245 2055
Email:	info@ragnarmetals.com.au
Website:	www.ragnarmetals.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Telephone:	1300 850 505 (investors within Australia)
Telephone:	+61 (03) 9415 4000
Email:	web.queries@computershare.com.au
Website:	www.investorcentre.com

Securities Exchange

Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000

Telephone:	131 ASX (131 279) (within Australia)
Telephone:	+61 (02) 9338 0000
Facsimile:	+61 (02) 9227 0885
Website:	www.asx.com.au
ASX Code	RAG

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco
WA 6008

Telephone:	+61 (08) 9426 0666
Website:	www.hallchadwick.com.au

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MINING INTERESTS

SWEDISH TENEMENTS

- **Tullsta Nickel Project**
- **Gaddebo Nickel Project**

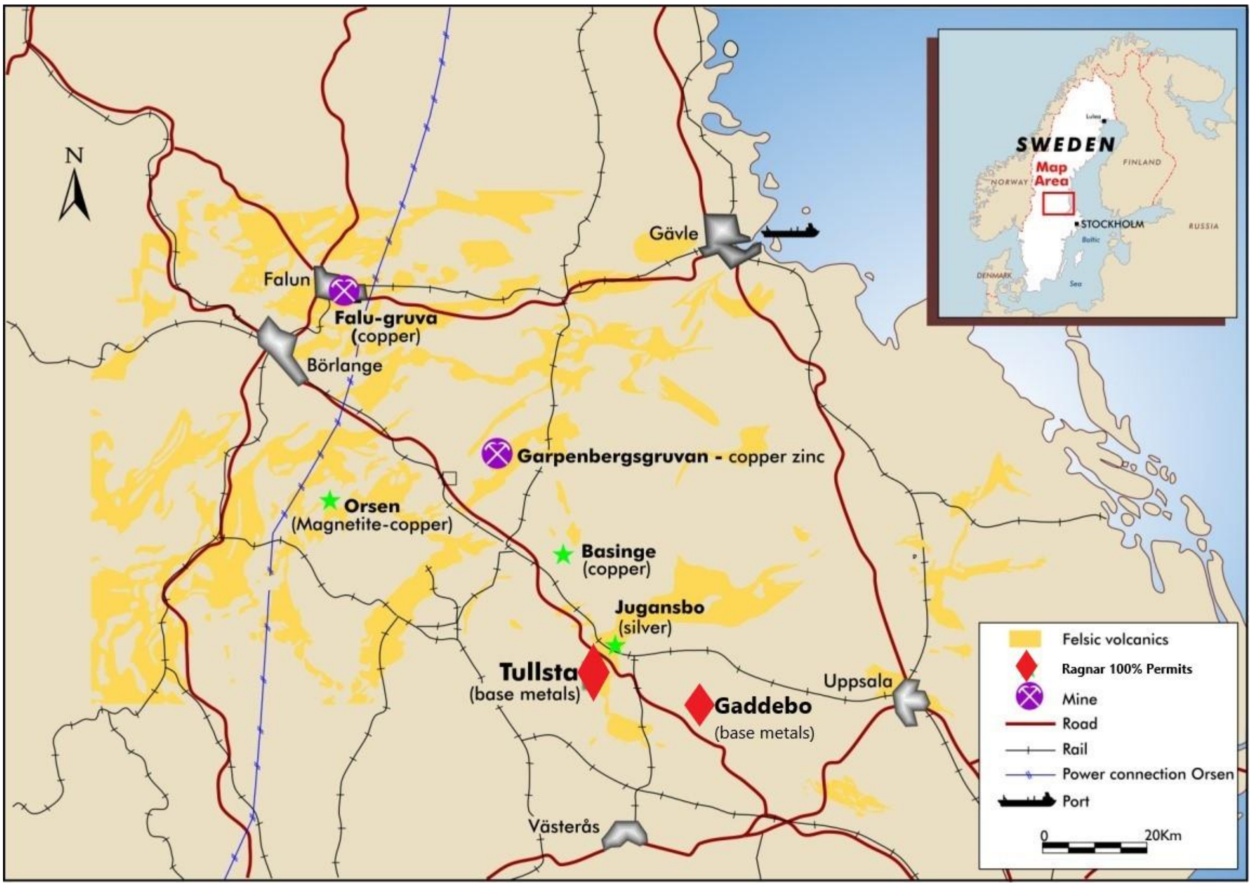

Figure 1: Location of Ragnar's Swedish Mineral Asset Portfolio

Tullsta Nickel Project

Ragnar Metals owns 100% of the Tullsta and Gaddebo projects which are located near Sala within the Bergslagen District of Sweden, 110km NW of the capital Stockholm. The Bergslagen district has a long, significant mining history with excellent infrastructure of rail, road and power nearby. Scandinavia and the adjoining Karelia Province in north-west Russia is one of the major nickel-copper provinces of the world. The Tullsta Nickel Project comprises of 4 contiguous granted permits covering an area of 93.61km^2 and covers the extent of the gabbroic mafic intrusion which hosts the Granmuren nickel mineralisation.

Table 1: Ragnar Metals Tullsta Project Tenement Details**Name**	**License ID**	**Owner**	**Area Ha**	**Valid From**	**Valid To**
Berga nr 1	2018 48	Ragnar Metals Limited (100.00%)	2181.52	28/03/2018	28/03/2024
Tullsta nr 6	2017 158	Ragnar Metals Limited (100.00%)	2695.03	6/11/2017	6/11/2024
Tullsta nr 7	2019 5	Ragnar Metals Limited (100.00%)	4452.74	25/01/2019	25/01/2022
Tullsta nr 8	2020 45	Ragnar Metals Limited (100.00%)	31.41	7/05/2020	7/05/2023
Total Area			**9360.70**		

On 28 May, Ragnar announced diamond core drilling had commenced at its 100% owned Tullsta Nickel Project in Sweden.
On 22 June the Company announced it had intersected a significant magmatic sulphide mineralisation in the second drill hole of its maiden drill program at Tullsta Project, Sweden.

Highlights included:

- Ragnar Metals intersects 70.9m wide zone of potential Ni-Cu bearing magmatic sulphide mineralisation within the Granmuren Gabbroic Intrusive Complex;
- Visual observations confirm a 3.1m wide zone, comprising 1.6m of massive sulphides below a 1.5m wide zone of semi-massive sulphides and 5.8m of semi-massive to network sulphides from 498.8m to 504.6m;
- The sulphide zone contains abundant pyrrhotite, chalcopyrite (Cu) and potential Ni-bearing pentlandite mineralisation within the pyroxenitic-gabbroic intrusive host rocks;
- Diamond core hole 21DDTS002 targeted the projected down-plunge position of a modelled IP anomaly generated by Ragnar's consulting geoscientists from GeoVista AB in Sweden and consulting geologist from Geolithic Geological Services in Australia; and
- Geological and geophysical model is similar to the Sakatti Ni-Cu-PGE deposit in Finland.

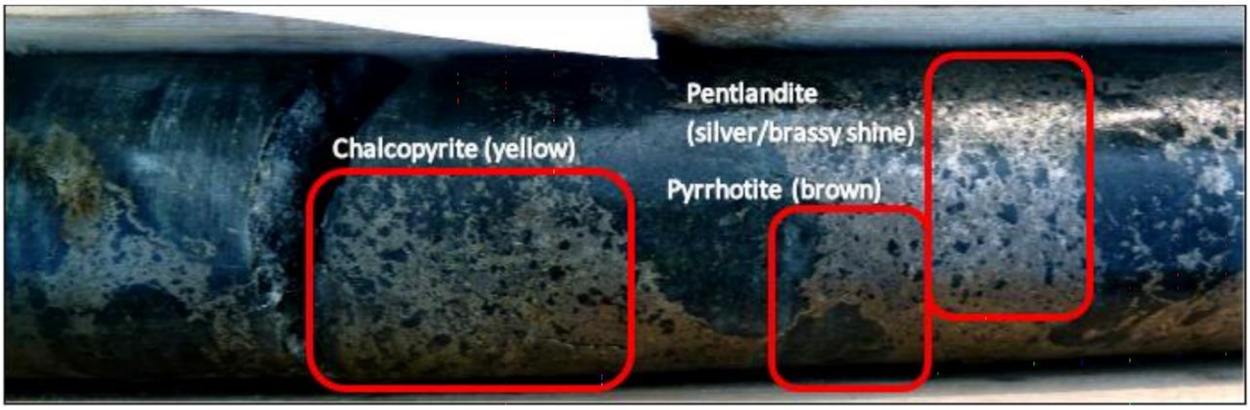

Figure 2: Close up of drill core showing Chalcopyrite (Cu), Pyrrhotite (Fe) and Pentlandite (Ni) sulphides.

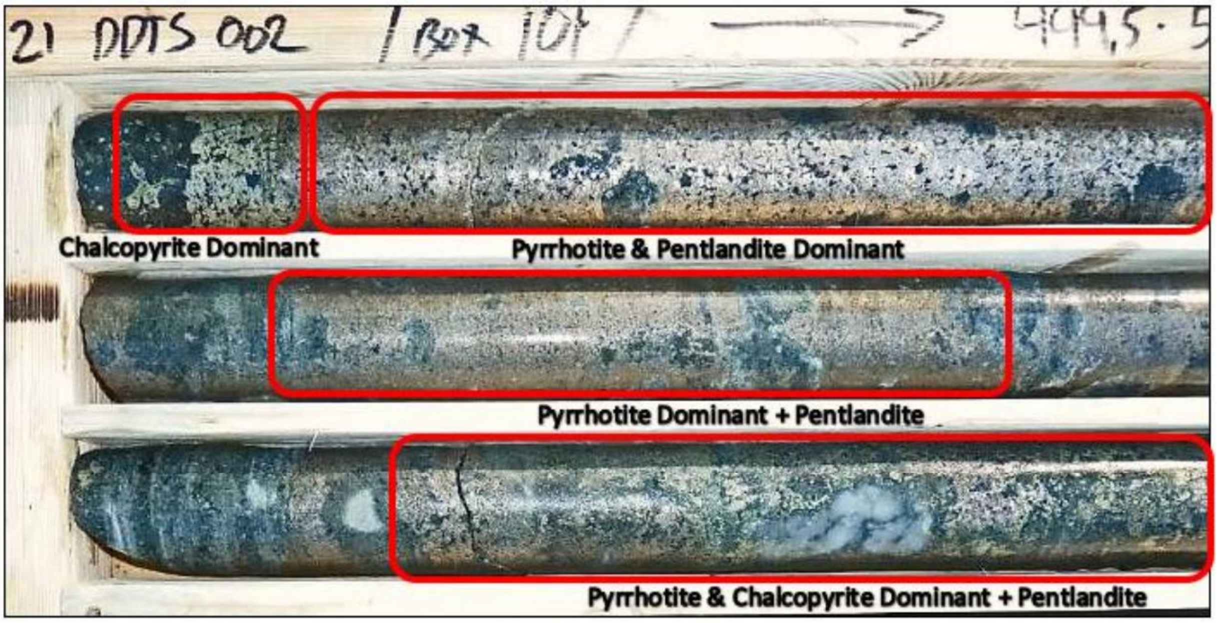

Figure 3: Closeup of the Upper Zone mineralization showing the dominant primary sulphide assemblages within the semi-massive and network sulphide zones.

Subsequent to the end of the period on 21 July, high grade nickel-copper discovery is confirmed within the sulphides intersected in discovery hole 21DDTS002 at the Tullsta Project.

Two subsequent drill holes 21DDTS003 & 21DDTS004 both intersected significant sulphide mineralisation on the basal contact 140m and 70m respectively away from the discovery hole. Minalyzer XRF scanning returned on overall mineralized zone of 60.2m at 0.75% Ni and 0.47% Cu from 498.2m to 558.3m (>0.5% Ni) which includes the following broad high-grade zones:

- Upper Zone: 7.6m @ 2.08% Ni & 1.57% Cu from 498.2m to 505.8m including:
    - 1.6m @ 4.54% Ni & 0.72% Cu from 499.6m
    - 0.7m @ 1.27% Ni & 4.30% Cu from 501.2m
    - 0.6m @ 0.42% Ni & 8.42% Cu from 505.2m
- Central Zone: 5.3m @ 2.64% Ni & 0.77% Cu from 533.1m to 538.4m including:
    - 1.7m @ 4.99% Ni & 0.73% Cu
- Blebby Zone: 8.5m @ 0.33% Ni & 0.41% Cu from 538.4m to 546.9m including:
    - 1.3m @ 0.42%Ni & 1.11% Cu from 538.7m
- Lower Zone: 3.3m @ 0.84% & 0.45% Cu from 546.9m to 550.2m including:
    - 0.4m @ 2.83% Ni & 0.29% Cu from 547.0m
    - 0.4m @ 2.34% Ni & 1.88% Cu from 549.8m
- Basal Contact Zone: 1.3m @ 2.99% Ni & 1.88% Cu from 557.1m to 558.4m including:
    - 1.0m @ 3.71% Ni & 2.34% Cu from 557.3m

Drilling was completed in late June with 4 diamond core holes being drilled for a total of 2,238.35m at the Tullsta Project. Additional drill holes of the Phase 1 drilling program have extended the mineralisation over a strike length of 140m along the base intrusion and is open in all directions.

Table 2: Major Sulphide Zones (Highlighted) and Visual Estimate of Sulphide Percentages

Hole ID	From (m)	To (m)	Width (m)	Rocktype	Sulphide type	Sulphide Minerals	Visual Sulphide Estimation (%)	Sulphide Zone
21DDT002	459.7	489.6	29.9	Gabbro	Trace cloud	Py	~<0.5	
	489.6	497.1	7.5	Pyroxenite	Stringer	Py, Po	~1	
	497.1	497.2	0.1	Pyroxenite	Network	Po	~40	Upper Zone 8.5m
	497.2	497.4	0.2	Pyroxenite	Disseminated	Po	~1	
	497.4	498.8	1.4	Gabbro	Disseminated/Blebby	Po	~5	
	498.8	499.6	0.8	Pyroxenite	Semi-massive	Po, Cpy, Pe	~40	
	499.6	501.5	1.9	Pyroxenite	Semi-massive	Po, Cpy, Pe	~70	
	501.5	501.7	0.2	Pyroxenite	Network	Cpy, Po, Pe	~25	
	501.7	504.6	2.9	Pyroxenite	Semi-massive	Po, Cpy, Pe	~60	
	504.6	505.2	0.6	Pyroxenite	Stringer	Po, Cpy	~5	
	505.2	505.6	0.4	Pyroxenite	Stringer	Cpy, Po	~5	
	505.6	523.3	17.7	Gabbro	Disseminated	Po	~1	
	523.3	531.0	7.7	Gabbro	Highly Disseminated	Po	~10	Central Zone 14.9m
	531.0	532.4	1.4	Gabbro	Blebby	Po	~15	
	532.4	533.5	1.1	Gabbro	Blebby	Po	~20	
	533.5	534.9	1.4	Gabbro	Network	Po, Cpy	~30	
	534.9	535.5	0.6	Gabbro	Semi-massive	Po, Cpy, Pe	~50	
	535.5	536.4	0.9	Gabbro	Semi-massive	Po, Pe	~60	
	536.4	538.0	1.6	Gabbro	Massive	Po, Cpy, Pe	~90	
	538.0	538.2	0.2	Gabbro	Network	Po	~20	
	538.2	547.0	8.8	Leucogabbro	Disseminated-Blebby	Po	~5	8.8m
	547.0	547.4	0.4	Gabbro	Semi-massive	Po, Pe	~70	Lower Zone 11.3m
	547.4	549.4	2.0	Gabbro	Disseminated-Stringer	Po, Cpy	~5	
	549.4	550.0	0.6	Gabbro	Semi-massive	Po, Cpy, Pe	~30	
	550.0	551.8	1.8	Gabbro	Disseminated-Blebby	Po, Cpy	~10	
	551.8	555.5	3.7	Leucogabbro	Blebby	Po	~20	
	555.5	557.4	1.9	Leucogabbro	Blebby	Po, Cpy	~25	
	557.4	558.3	0.9	Gabbro	Semi-massive	Po, Pe	~60	
	558.2	560.5	2.3	Diorite	Disseminated	Po	~1	
	560.5	584.4	23.9	Metasediment			0	

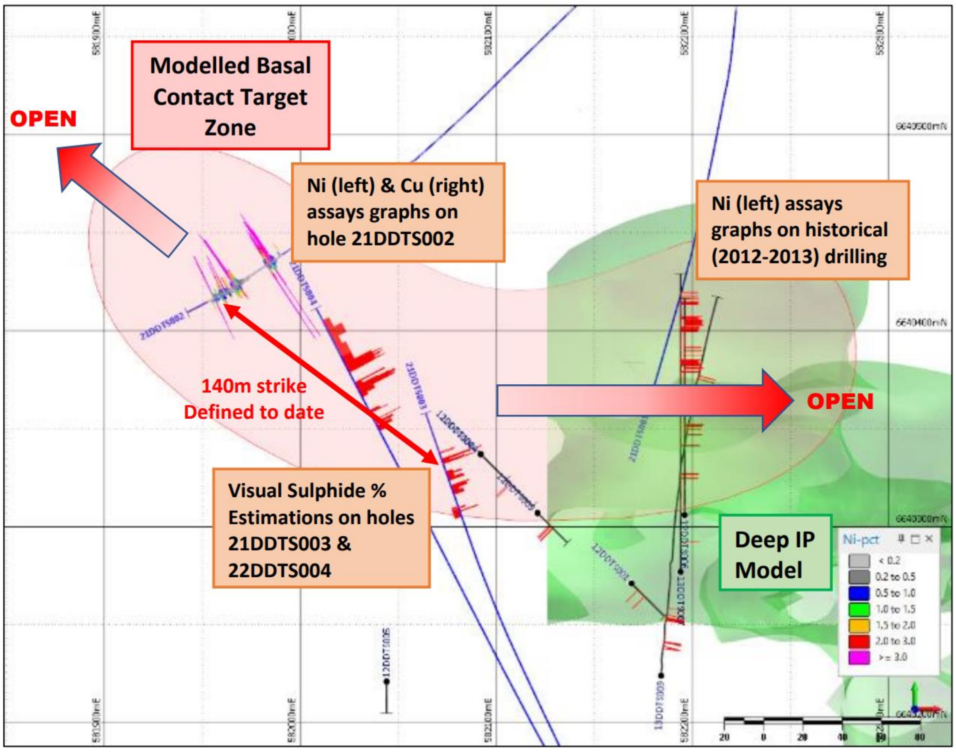

Figure 4: Plan view showing historical drill holes (black) and recent drill holes (blue). The 3D IP models are displayed with the known near surface Granmuren shown by the purple model and the new deeper plunging model in green. Mineralisation percentage is graphed on the drill holes to show locations of the sulphide mineralisation.

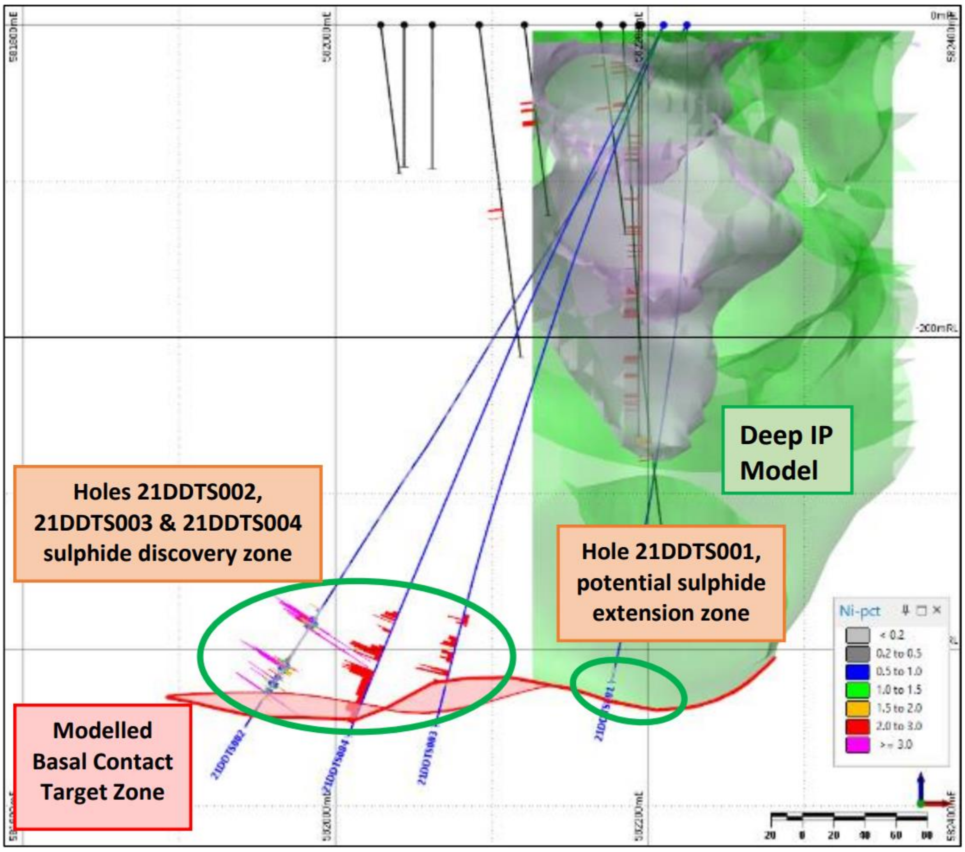

Figure 5: Long section view (looking north) showing the IP model (green & purple), historical shallow Ni bearing intersections within the upper intrusion, and the current deep drilling which has intersected Ni-Cu sulphide mineralisation at the base of the intrusion. The basal contact target zone is shown by the undulating red zone, demonstrating that the first hole 21DDTS001 needs to be extended deeper to pass through the basal contact position.

Granmuren Historical Drilling

Ragnar made a greenfields Ni-Cu-Co discovery in 2011/2012 at Tullsta which is located in the Bergslagen district of Sweden, to the NW of Stockholm. Ragnar completed a heliborne VTEM survey at Tullsta in 2011 defining a strong target zone. Follow-up geophysical works led to Ragnar completing nine diamond core holes discovering Ni-Cu-Co mineralisation at the Granmuren prospect during 2012-2013. All intersections were between 10m below surface to a depth of 350m, defining low grade mineralisation over a strike length of 330m and remaining open at depth. Considerable geophysical survey work and data modelling was completed over the Tullsta Project area during this period, in particular over the Granmuren deposit, however the management at the time determined the mineralisation was too small and low grade, resulting in exploration efforts being focussed elsewhere.

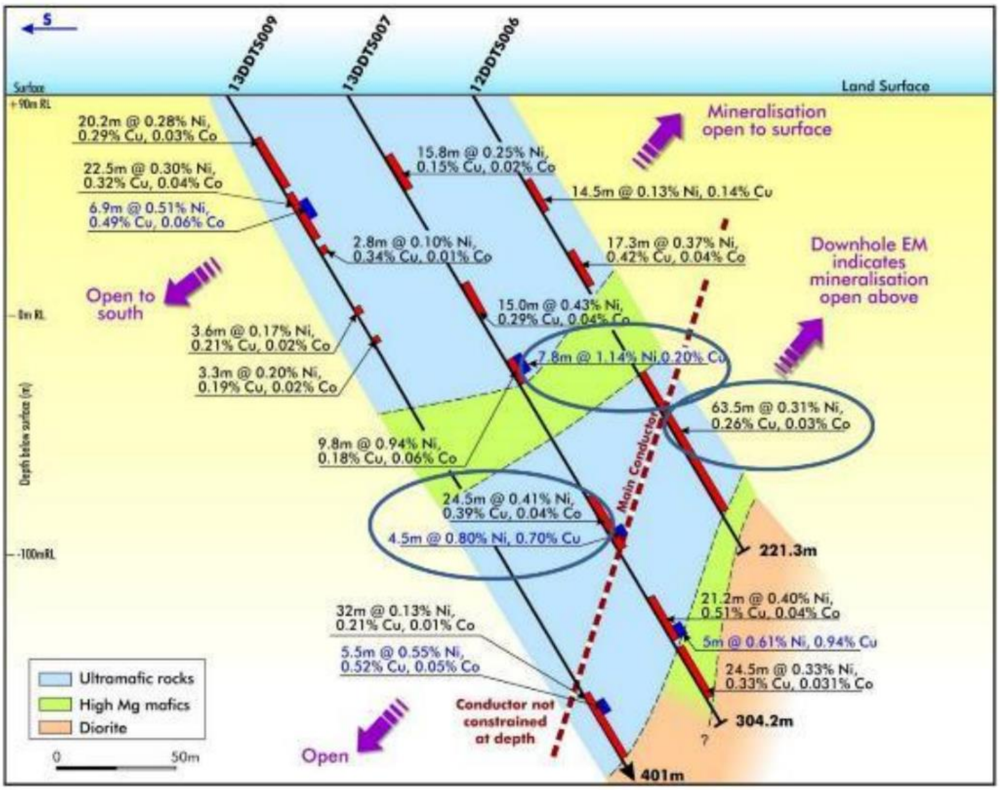

Figure 6: Granmuren historical cross-section with down hole intercepts and logged geology.

<u>**Gaddebo Nickel Project**</u>

Table 3: Ragnar Metals Gaddebo Project Tenement Details

Name	License ID	Owner	Area Ha	Valid From	Valid To
Gaddebo Nr 3	2014:91	Ragnar Metals Limited (100.00%)	99.815	30/10/2014	30/10/2025
Total Area			**99.815**		

Gaddebo is a small tenure measuring 1km x 1km located 15km SE of the town of Sala and 21km ESE of the Granmuren deposit. Research of records at the Geological Survey of Sweden uncovered reports that the property contained a nickel mine which operated from 1870-1871 and consists of 2 shafts and a small pit as well as ore/waste stockpiles. In addition, 2 shallow drill holes were completed within the licence in 1944 by Boliden. It is reported that 1,030 tonnes of nickel were mined with grades of up to 4.9% Ni. During the field trip, Geolithic located these mines and drillholes as well as noting that Pyrrhotitepyrite-chalcopyrite-pentlandite mineralisation is abundant within the host medium-coarse grained olivine rich gabbroic rocks. The surface exposures of the rocks are heavily rusted from the weathered sulphides and the sulphides are fresh inside the broken rocks due to the hard, competent and non-porous nature of the gabbro.

WESTERN AUSTRALIA TENEMENTS

- **Leeds Project**
- **Kenya Gold Project**

Table 4: Ragnar Metals Western Australian Tenement Details

Tenement ID	Owner	Area Ha	Valid To
Leeds project			
P15/6017	Transfer to Loki Exploration Pty Ltd	198	02/04/2025
P15/6018	Transfer to Loki Exploration Pty Ltd	199	02/04/2025
Kenya Project			
E39/1998	Loki Exploration Pty Ltd	2BL	03/05/2022
E39/2005	Loki Exploration Pty Ltd	1 BL	02/07/2022

On 21 January 2021 Ragnar announced that it was to acquire two highly prospective West Australian gold projects with an 80% interest in the Leeds Gold Project and a 100% interest in the Kenya Gold Project.

Both projects are strategically located in the prolific gold mining district of the Norseman-Wiluna Greenstone Belt of Western Australia. See Corporate activities paragraph for details of these acquisitions.

Leeds Gold Project

The Leeds project is located on the Norseman-Wiluna greenstone belt approximately 20km south of the Goldfields St Ives Gold Mining Camp at Kambalda. Previous drilling at the Leeds Project, located 20 km south of the Goldfields St Ives Gold Mining Camp at Kambalda, Western Australia, suggest a large significant gold system that warrants immediate follow-up drilling. Historic shallow drilling at the Leeds Project intersected shallow oxidised gold mineralisation from surface down to 50-60m depth and in places intersected deeper primary gold bearing shear zone which extend over a very large area of 2km by 200-300m. Historic drilling at the Leeds Project intersected both very high grade and large lower grade widths including:

- 17m at 5.7 g/t Au from 94m including 2m at 40.9 g/t Au in LRC001 (primary zone); and
- 70m at 0.4 g/t Au from 49 m including 1m at 4.2 g/t Au in LDRC013 (oxide & primary zone).

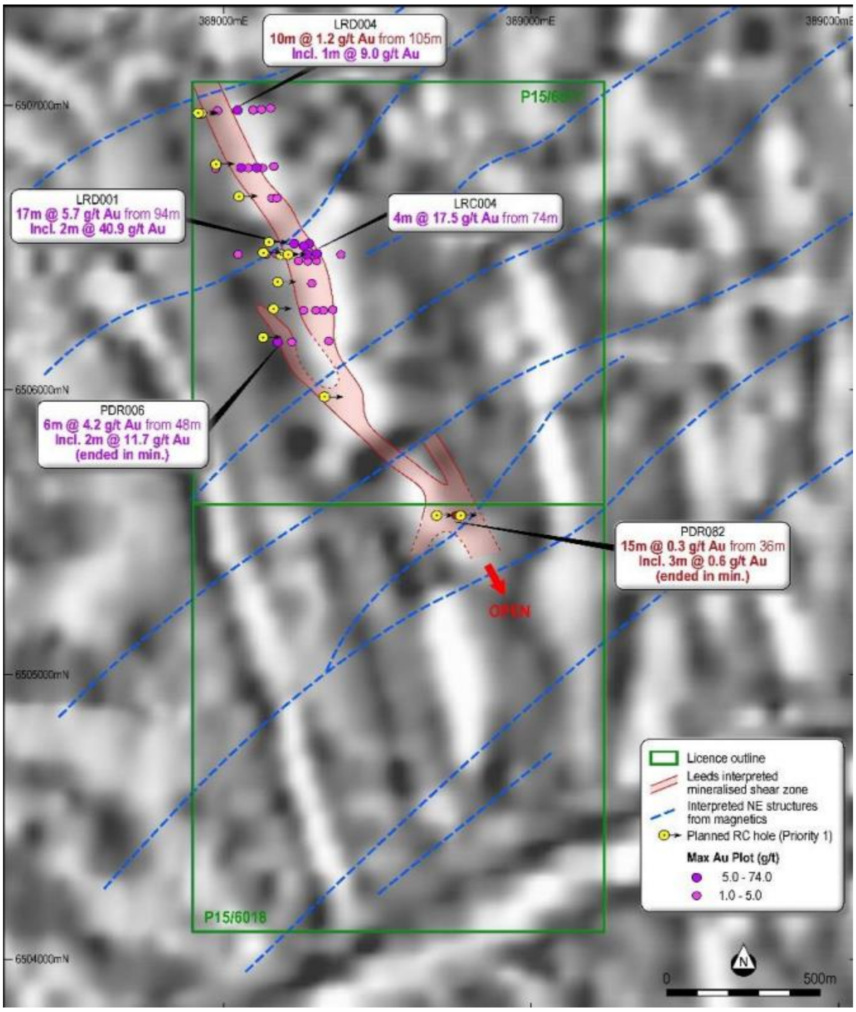

Figure 7: Airborne magnetic map showing the intercepted gold bearing shear zone.

Kenya Gold Project

The Kenya Gold Project is located 50 km along strike to the south of the AngloGold Ashanti's Sunrise Dam gold mining camp and contains previously defined targets that are yet to be followed up. The Kenya project tenements are located 100km south of Laverton and 180km NE of Kalgoorlie in the northeastern Goldfields region of Western Australia. The project lies approx. 3km north of the Safari Bore and 8km NW of the Deep South mine sites.

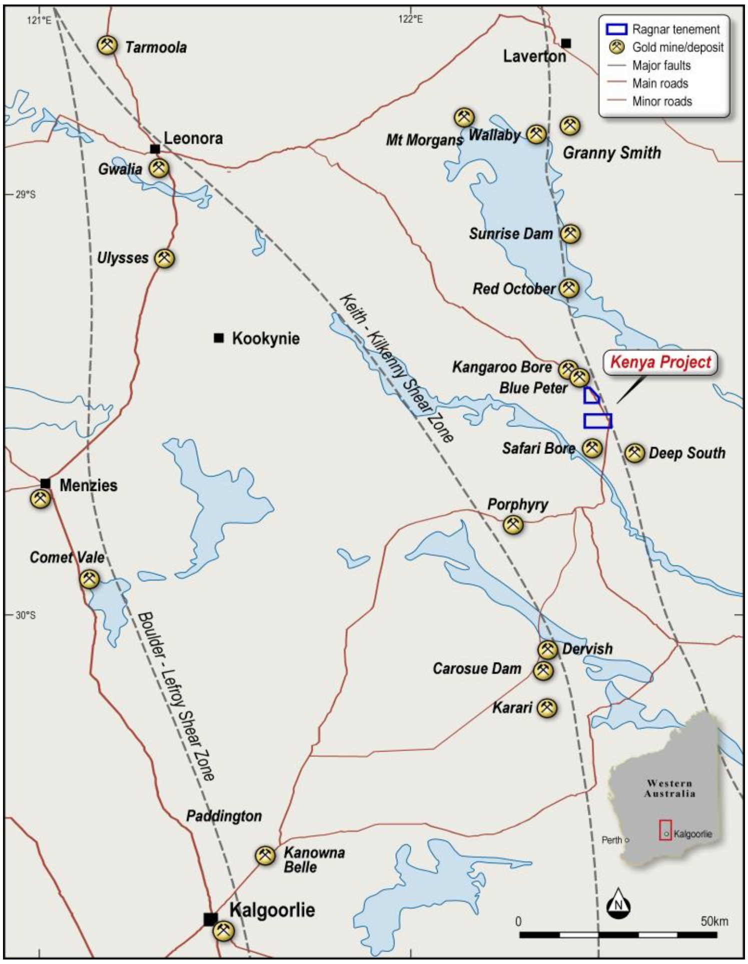

Figure 8: Location of Kenya Project.

On 16 June 2021 the Company commenced its maiden drill program at the company's Leeds Gold Project in Western Australia.

Highlights included:

- Drill program targeting a previously identified 1.6km long N-NE shear zone
- A total of 14 priority RC holes for 2,500m to target the shear zone up to 200m depth
- Previous drilling had significant intersections of gold, including: 17 m at 5.7 g/t Au from 94 m in LRC001 including 2 m at 40.9 g/t Au

Ethnographic aboriginal heritage survey for the Ngadju Native Title Traditional Owners was completed across the primary target area. The final report received provided clearance for all drill collar locations for the primary drill targets and access tracks. This enabled Ragnar to commence the drill program.

GAP GeoPhysics Exploration Services have been contracted to conduct a sub-audio magnetic (SAM) survey across the entire tenure at Leeds in order to identify additional gold-bearing structures.

CORPORATE

The corporate activities during the financial year are as outlined as follows:

- August 2020: A capital raising of $400,000 was completed to fund Ragnar's working capital requirements by the issue of convertible notes to the value of $200,000 to sophisticated investors and loans from related parties and one non-related party to the value of $200,000.

  The loans were subject to a facility fee of 6% of the principal and accrued interest at 10% per annum. The loans were made available in August 2020 for a period of one year with the provision of early repayment at the election of the company.
  The convertible notes were issued on 20 August 2020 with a maturity date of one year and an interest rate of 10% per annum until conversion to a maximum of 23,506,804 ordinary shares at the lower of $0.004 per shares or 80% of the weighted average price 5 trading days prior to the conversion notice or until redemption at 120% of the face value of the notes.
  The notes were not subject to a conversion notice and both the outstanding loan amounts and the notes were repaid in May 2021.

- The Company's shares were suspended from trading on the ASX from 7 August 2020 to 27 May 2021. Details of the stages of the delisting and relisting are outlined below:

  - On 7 August 2020 the securities were suspended from quotation immediately under Listing Rule 17.2, at the request of RAG, pending the release of a response to an ASX price and volume query and an announcement regarding a proposed transaction.
  - On 14 August 2020 the company announced it had discontinued negotiations in relation to a significant transaction under Chapter 11 of the ASX Listing Rules and the Company requested that the suspension of its securities continue pending ASX's determination in relation to the Company's compliance with Listing Rules 12.1 and 12.2 and the making of an appropriate announcement.
  - On 18 September 2020 ASX determined that it is of the view that the Company is not in compliance with Listing Rules 12.1 and 12.2 and indicated that it will review its determination in six months' time. The suspension of the Company's securities will continue until the Company has demonstrated to ASX that it is in compliance with Listing Rules 12.1 and 12.2.

- November 2020: The board announced the resignation of Ms Julia Beckett as company secretary and the appointment of Ms Jessamyn Lyons.

- November 2020: Effective 29 November 2020, Ontario Inc gave notice of termination of the Heads of Agreement between the Company and Ontario Inc announced on 21 November 2019 pursuant to which Ontario had been granted an option over the Company's exploration permit 2014:91 Gaddebo nr 3.

- January 2021: It was announced that Ragnar was to acquire two granted prospecting licenses and 2 granted exploration licenses that comprise the Leeds and Kenya Projects respectively. Both projects are strategically located in the gold mining district of Norseman Wiluna greenstone Belt of Western Australia.

  - February 2021 saw the exercise of an option under binding heads of agreement between the Company and its wholly owned subsidiary Loki Exploration Pty Ltd (ACN 643 651 138) (Loki Exploration) and Maverick Exploration Pty Ltd (ACN 056 932 239) (Maverick Exploration), Cale Consulting Pty Ltd (ACN 151 371 854) atf the McLean Tyndall Family Trust (Cale) and Pearlglow Investments Pty Ltd atf The Pearlglow Trust (Pearlglow) (together, the Leeds Vendors) for Loki Exploration to acquire an 80% interest in Prospecting Licenses P15/6017 and P15/6018 (the Leeds Project or Leeds Project Tenements) (Leeds Acquisition). Loki Exploration has an 80% interest in each of P15/6017 and P1/6018. Consideration paid as per the agreements was $80,000 cash and 4,000,000 post consolidation securities of $0.02 each, restricted for one year, and 4 million options exercisable at $0.04 each expiring 2 years after the date of issue.
  - In May 2021, pursuant to a binding heads of agreement (Kenya Project Agreement) announced in January between the Company, Loki Exploration and Jindalee Resources Limited (ACN 064 121 133) (ASX:JRL)(Jindalee) in which Loki Exploration agreed to acquire a 100% interest in Exploration Licenses E39/1998 10 and E39/2005 (the Kenya Project or Kenya Project Tenements) (the Kenya Project Acquisition), the company issued 2,500,000 post consolidation securities @ $0.02s per share restricted for one year as consideration for its 100% interest.

- March 2021: Ariel Eddie King was appointed to Executive Director.

- April 2021: Consolidation of all options and ordinary fully paid shares in the ratio of 5 pre-consolidation shares to 1 post-consolidation security

- May 2021: A further facility of $400,000 was made available by a related party for interim funding of working capital. The loans were subject to a facility fee of 5% of the principal drawn down and accrued interest at 10% per annum.

- May 2021: Ragnar completed a capital raising for $5,500,000 via a prospectus. Following re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the Company was reinstated to its official quotation on 27 May 2021.
  - The company issued 275,000,000 post-consolidation shares @ $0.02 per share together with 1 free attaching option to acquire a new share exercisable at $0.04 each on or before 19 May 2023 for every three shares issued, a total of 91,666,497 quoted options.
  - As part of the capital raising, the company extended a priority offer capped at $1,000,000 of the total amounts raised (50,000,000 shares and 16,666,497 free attaching new options exercisable at $0.04 on or before 19 May 2023) to existing shareholders of the company
  - CPS Capital, the lead manager, was paid a fee of 6% of the amount of the capital raising and issued 45,000,000 new options exercisable at $0.04 on or before 19 May 2023 restricted for 24 months to 27 May 2023.
  - Directors of the company applied for and were issued 16,000,000 shares and 5,333,333 free attaching new options. The new options are exercisable at $0.04 on or before 19 May 2023 restricted for 24 months to 27 May 2023.

Directors' report

Your directors present their report on Ragnar Metals together with the financial statements of the Group, consisting of Ragnar Metals Limited (“**Ragnar Metals**” or the “**Company**” or the “**parent entity**”) and its controlled entities (collectively the “**Group**”), for the financial year ended 30 June 2021.

1. Directors

The names of Directors in office at any time during the reporting year and up to the date of this report are:

- Mr Steven Formica — Non-Executive Chairperson
- Mr Ariel (Eddie) King — Executive Director (appointed 1 March 2021; prior to this Non-Executive Director)
- Mr David Wheeler — Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Company Secretary

Ms Jessamyn Lyons was appointed Company Secretary on 9 November 2020.

Qualifications	Ms Lyons is a Chartered Secretary, an Associate of the Governance Institute of Australia and holds a Bachelor of Commerce from the University of Western Australia with majors in Investment Finance, Corporate Finance and Marketing
Experience	Ms Lyons is also a director of Everest Corporate and Company Secretary of Dreadnought Resources Limited, Lunnon Metals Limited, Stealth Global Holdings Limited, Doriemus PLC and Joint Company Secretary of Los Cerros Limited and Alchemy Resources Limited. Ms Lyons also has 15 years of experience working in the stockbroking and banking industries and has held various positions with Macquarie Bank, UBS Investment Bank (London) and more recently Patersons Securities.

3. Principal Activities

The principal activities of the Group during the financial year were the exploration and evaluation of its projects in Scandinavia and commencement of the exploration and evaluation of its newly acquired Australian projects.

4. Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2021 (2020: Nil).

5. Operating and financial review

5.1. Nature of Operations Principal Activities

The company is a mineral resources exploration and development company.

5.2. Operations Review

A detailed review of the Group’s exploration activities is set out in the section titled “Activities Report” in this annual report.

5.3. Financial Review

a. Operating results

For the 2021 financial year the Group delivered a loss before tax of $834,642 (2020: $492,618).

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

b. Financial position

The net assets of the Group have increased to $5,028,879 at 30 June 2021 (2020: $350,014).

As at 30 June 2021, the Group's cash and cash equivalents were $3,394,825 (2020: $142,060) and the group had net working capital of $3,297,248 (2020: $42,705 working capital). See Note 13.

6. Significant Changes in State of Affairs

These are outlined in detail in the Mining Interest and Corporate and Administrative Sections of the group’s Activities Reports and include:

Directors' report

Corporate

- The raising of $400,000 to fund the Company's working capital requirements by the issue of convertible notes to the value of $200,000 to sophisticated investors and loans from related parties and one non-related party to the value of $200,000. Details are available on page 10 of the Annual Report in the Corporate and Administrative summary.
- Suspension of the Company's shares from trading on the Australian Securities Exchange (ASX) from 7 August 2020 to 27 May 2021. Details of the stages of the delisting and relisting are available in the Corporate and Administrative Summary.
- Consolidation of all options and ordinary fully paid shares in the ratio of 5 pre-consolidation securities to 1 post-consolidation security.
- A capital raising of $5,500,000 via a prospectus. Details in the Corporate and Administrative Summary.
- Acquisition of Australian tenements, the Leeds and Kenya projects.

Mining

As disclosed in Mining Section of the Activities Report.

7. Events Subsequent to Reporting Date

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

8. Future Developments, Prospects and Business Strategies

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

9. Information relating to the directors

• **Mr Steve Formica**	Non-executive Chairman *(Appointed 2 September 2019)*
Experience	Mr Formica has been a successful businessman and operations manager for over 35 years in several privately held business ventures across multiple industry sectors.
Interest in Shares and Options	8,343,334 ordinary shares in Ragnar Metals Limited and options to acquire a further 8,266,666 ordinary shares. These include 6 million unlisted options escrowed for 24 months. Since year end, Mr Formica's shareholding has increased to 9,920,000 shares.
Directorships held in other listed entities in the past three years	Mr Formica also acts as a director of High Grade Metals Limited (ASX: HGM) and Houston We Have Ltd (ASX: HWH). He was a former director of Bowen Coking Coal Ltd (ASX: BCB), Orminex Ltd (ASX: ONX) and Lindian Resources Limited (ASX: LIN).
• **Mr Ariel Eddie King**	Executive Director (*Appointed 1 March 2021*) previously Non-executive Director *(Appointed 10 February 2017)*
Qualifications	Bachelor of Commerce and Bachelor of Engineering
Experience	Mr King is a qualified Mining Engineer. Mr King holds a Bachelor of Commerce and Bachelor of Engineering from The University of Western Australia. Mr King's past experience includes being Manager for an investment banking firm, where he specialised in the technical and financial analysis of bulk commodity and other resource projects for investment and acquisition.
Interest in Shares and Options	3,800,000 ordinary shares in Ragnar Metals Limited and options to acquire a further 6,833,333 ordinary shares. Of these 6,000,000 are unlisted options escrowed for 24 months).
Directorships held in other listed entities in the past three years	Mr King also acts as a director of Eastern Iron Limited (ASX: EFE), M3 Mining Limited (ASX:M3M) and Queensland Pacific Metals Limited (ASX: QPM). He was a former director of Six Sigma Metals Limited (ASX: SI6), Aston Minerals Limited (ASX:ASO) formally known as European Cobalt Limited (ASX: EUC), ECS Botanics Holdings Limited (ASX: ECS), Sultan Resources Limited (ASX: SLZ), Bowen Coking Coal Limited (ASX: BCB) and Lindian Resources Limited (ASX: LIN).

Directors' report

Mr David Wheeler	Non-executive Director *(Appointed 4 December 2017)*
Qualifications	Fellow of the Australian Institute of Company Directors
Experience	Mr Wheeler has more than 30 years of Executive Management Directorship and Corporate Advisory experience. He is a foundation Director and Partner of Pathways Corporate, a boutique corporate advisory firm that undertakes assignments on behalf of family offices, private clients and ASX listed companies. Mr Wheeler has successfully engaged in business projects in the USA, UK, Europe, NZ, China, Malaysia, Singapore and the Middle East. Mr Wheeler is a Fellow of the Australian Institute of Company Directors and serves on public and private company boards, currently holding a number of Directorships and Advisory positions in Australian ASX listed companies.
Interest in Shares and Options	1,000,000 ordinary shares in Ragnar Metals Limited and options to acquire a further 3,333,333 ordinary shares (including 3,000,000 unlisted options escrowed for 24 months).
Directorships held in other listed entities in the past three years	Mr Wheeler also acts as a director of Blaze International Limited (ASX: BLZ), Delecta Limited (ASX: DLC), Tyranna Res Ltd (ASX: TYX), Protean Energy Ltd (ASX: POW), PVW formerly Thred Limited (ASX: PVW), Avira Resources (ASX: AVW) Syntonic Limited (ASX: SYT) and Health House Int, formerly VPCL Limited (ASX: HHI). He was a former director of Eneabba Gas Ltd (ASX: ENB), Ultracharge Ltd (ASX: UTR), Antilles Oil and Gas NL (ASX: AVD), Castillo Copper Limited (ASX: CCZ), AusMex Mining Ltd (ASX: AMG), Weststart Industrial Limited (ASX: WSI) and 333D Limited (ASX: T3D).

10. Meetings of directors and committees

During the financial year two meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Steve Formica	2	2								
Eddie King	2	2								
David Wheeler	2	2								

At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.

11. Indemnifying Officers or Auditor

During or since the end of the financial year, the Company has given an indemnity or entered into an agreement to indemnify, or has paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors against any liability arising from a claim brought by a third party against the Company and to provide right of access to company records. The agreement provides for the company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium in 2021 was $23,622 (2020: $24,000).
- No indemnity has been paid in respect of auditors.

Directors' report

12. Options

12.1. Unissued shares under option

At the date of this report, the un-issued ordinary shares of Ragnar Metals Limited under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
2 Sep 2019	2 Sep 2022	$0.075	600,000
19 May 2021	19 May 2023	$0.04	91,666,497(1)
19 May 2021	19 May 2023	$0.04	64,000,000(2)
19 May 2021	19 May 2023	$0.04	4,000,000
17 June 2021	17 June 2023	$0.06	2,000,000
17 June 2021	17 June 2023	$0.08	2,000,000
			164,266,497

No person entitled to exercise the option has, or has any right by virtue of the option, to participate in any share issue of any other body corporate.

(1) Listed Options – all other options are unlisted

(2) Restricted Securities

12.2. Shares issued on exercise of options

No ordinary shares were issued by the Company as a result of the exercise of options during or since the end of the financial year.

13. Environmental Regulations

The Group's operations are subject to environmental regulations in the jurisdictions it operates in. In respect of the current year under review, the Directors are not aware of any particular or significant environmental issues which have been raised in relation to the Group's operations.

14. Non-audit services

During the year, Hall Chadwick, the Company's auditor, performed tax consulting services to the company. These services amounted to $7,440 (2020: $4,400). Further non-audit services were provided in respect of preparation of the Investigating Accountants Report in the Prospectus amounting to $8,000. Details of remuneration paid to the auditor can be found within the financial statements at Note 5, Auditor's Remuneration.

In the event that non-audit services are provided by Hall Chadwick, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

15. Proceedings on behalf of company

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

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

16. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2021 has been received and can be found on page 19 of the annual report.

Directors' report

17. Remuneration report (audited)

The information in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001*.

17.1. Key management personnel (KMP)

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Company and key executive personnel:

- Mr Steve Formica: Non-executive Chairman
- Mr Ariel (Eddie) King: Executive Director
- Mr David Wheeler: Non-executive director

17.2. Remuneration Policy

The remuneration policy of Ragnar Metals Limited has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Ragnar Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Remuneration Committee and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and performance incentives. The Remuneration Committee reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.
- Executives are also entitled to participate in the employee share and option arrangements.
- All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options given to Directors and employees are valued using the Black-Scholes methodology.
- The Board's policy is to remunerate Non-Executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The Non-Executive Directors have been provided with options that are meant to incentivise the Non-Executive Directors. The Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors' and executives' performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

17.3. Remuneration Details for the Year Ended 30 June 2021

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

The term "Key Management Personnel" refers to those persons having authority and responsibility for planning, directing and controlling the activities of the group directly or indirectly including any Director (whether executive or otherwise) of the Group.

During the year Consultancy agreements were signed with Ariel King to manage the business of the company and with Leo Horn to provide technical expertise and oversight in the role of Chief Geologist of the company.

A resolution that the remuneration report for the last financial year to be adopted was put to the vote at the Company's most recent AGM, held 30 November 2020 and was passed with 99.99% in favour.

Directors' report

17.4. Directors' and KMP Remuneration

The following table details the components of remuneration for each member of the KMP of the Group:

2021	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total	% Share based payments
	Salary, fees and leave	Profit share and bonuses	Other	Super	Other		Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Steve Formica	72,000	-	-	11,590	-	-	-	49,177	132,767	37.04%
Eddie King	64,000	-	-	-	-	-	-	49,177	113,177	43.45%
David Wheeler	36,000	-	-	-	-	-	-	24,589	60,589	40.58%
	172,000	-	-	11,590	-	-	-	122,943	306,533	-

2020	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total	% Share based payments
	Salary, fees and leave	Profit share and bonuses	Other	Super	Other		Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Steve Formica	50,000	-	-	-	-	-	-	8,900	58,900	15.1%
Sara Kelly	10,000	-	-	-	-	-	-	-	10,000	-
Eddie King	36,000	-	-	-	-	-	-	-	36,000	-
James Scovell	18,000	-	-	-	-	-	-	-	18,000	-
David Wheeler	36,000	-	-	-	-	-	-	-	36,000	-
	150,000	-	-	-	-	-	-	8,900	158,900	-

17.5. Share-based compensation

a. **Director share options**

15,000,000 unlisted options with an expiry date of 19 May 2023 and exercise price $0.04 restricted for two years from date of issue were granted to the directors as remuneration during the year. 6,000,000 options to each of Steve Formica and Eddie King and 3,000,000 options to David Wheeler

b. **Director ordinary shares**

There were no shares granted as remuneration to Directors during the year.

c. **Options on issue as Remuneration**

Details of the unexpired options on issue granted as remuneration to directors are detailed in table below.

2021	Options Issued No.	Grant Date	Exercise Price $	Value per option $	Value $	Expiry Date
Steve Formica	6,000,000	19/05/2021	$0.04	$0.0082	$49,177	19/05/2023
Eddie King	6,000,000	19/05/2021	$0.04	$0.0082	$49,177	19/05/2023
David Wheeler	3,000,000	19/05/2021	$0.04	$0.0082	$24,589	19/05/2023
Steve Formica	600,000	29/08/2019	0.075	$0.0148	8,900	02/09/2022

All options have been issued to nominees of the directors.

17.6. KMP equity holdings

a. Movement in shareholdings of each KMP by number of shares

2021	Balance at start of year	Consolidation of shares	Received as compensation	Other changes during the year	Balance at end of year
Steve Formica	16,716,666	3,343,334	-	5,000,000	8,343,334
Eddie King	1,500,000	300,000	-	3,500,000	3,800,000
David Wheeler	-	-	-	1,000,000	1,000,000
	18,216,666	3,643,334	-	9,500,000	13,143,334

b. Movement in option holdings of each KMP by number of options

2021	Balance at start of year	Securities consolidation 5:1	Granted as Remuneration during the year	Other changes during the year (see note 1)	Lapsed During year	Balance at end of year	Vested and Exercisable
Steve Formica	3,000,000	600,000	6,000,000	1,666,666	-	8,266,666	2,266,666
Eddie King	2,100,000	420,000	6,000,000	833,333	420,000	6,833,333	833,333
David Wheeler	2,000,000	400,000	3,000,000	333,333	400,000	3,333,333	333,333
	7,100,000	1,420,000	21,000,000	2,833,332	820,000	24,433,332	3,433,332

(i) Participation in IPO

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporation Act 2001.

STEVE FORMICA
Chairman
Dated 10 September 2021

Auditor's independence declaration

HALL CHADWICK

To The Board of Directors

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

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

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

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

DOUG BELL CA
Partner

Dated at Perth this 10th day of September 2021

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	2021 $	2020 $
Continuing operations			
Revenue	3a	102	520
Other income		-	-
		102	520
Accounting and audit fees		(64,099)	(74,490)
Computers and software		(3,820)	(924)
Directors Fees	4a	(69,995)	(68,200)
Employee benefits expenses		17,515	-
Contractors and consultants		(83,831)	(63,866)
Finance Costs		(90,100)	
Impairment	4b	(33,411)	(17,046)
Insurance		(19,721)	(24,612)
Legal fees		(151,866)	(157,034)
Public relations and advertising		(877)	(2,650)
Registry and ASX fees		(165,025)	(30,801)
Share-based payments	18	(133,791)	(8,900)
Foreign exchange loss	3b	(15,051)	(11,247)
Other expenses		(20,672)	(33,368)
Loss before tax		(834,642)	(492,618)
Income tax benefit / (expense)	6	-	-
Loss for the period from continuing operations after tax		(834,642)	(492,618)
Net (loss) / profit for the year		(834,642)	(492,618)
Other comprehensive income, net of income tax			
• Items that will not be reclassified subsequently to profit or loss			
• Items that may be reclassified subsequently to profit or loss			
○ Exchange differences on translating foreign operations		(6,351)	2,598
Other comprehensive income for the year, net of income tax		(6,351)	2,598
Total comprehensive income attributable to members of the parent entity		(840,993)	(490,020)
Earnings per share:		¢	¢
• Basic and diluted loss per share (cents per share)	7	(0.89)	(0.16)

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

Consolidated statement of financial position

as at 30 June 2021

	Note	2021 $	2020 $
Current assets			
Cash and cash equivalents	8	3,394,825	142,060
Trade and other receivables	9	228,325	22,868
Total current assets		3,623,150	164,928
Non-current assets			
Exploration and evaluation assets	10	1,731,631	307,309
Total non-current assets		1,731,631	307,309
Total assets		5,354,781	472,237
Current liabilities			
Trade and other payables	11	325,903	122,223
Total current liabilities		325,903	122,223
Total liabilities		325,903	122,223
Net assets		5,028,878	350,014
Equity			
Issued capital	12a	32,704,462	28,641,172
Reserves	14	2,301,893	851,677
Accumulated losses		(29,977,477)	(29,142,835)
Total equity		5,028,878	350,014

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

Consolidated statement of changes in equity

for the year ended 30 June 2021

	Note	Issued Capital $	Accumulated Losses $	Options Reserve $	Share-based Payments Reserve $	Foreign Exchange Translation Reserve $	Total $
Balance at 1 July 2019		28,641,172	(28,650,217)	343,490	525,944	(29,255)	831,134
Loss for the year		-	(492,618)	-	-	-	(492,618)
Other comprehensive income for the year		-	-	-	-	2,598	2,598
Total comprehensive income		-	(492,618)	-	-	2,598	(490,020)
Transaction with owners, directly in equity							
Shares issued during the year	12a	-	-	-	-	-	-
Transaction costs		-	-	-	-	-	-
Share buy-back unmarketable parcels							
Options issued during the year	12b	-	-	8,900	-	-	8,900
Balance at 30 June 2020		28,641,172	(29,142,835)	352,390	525,944	(26,657)	350,014

	Note	Issued Capital $	Accumulated Losses $	Options Reserve $	Share-based Payments Reserve $	Foreign Exchange Translation Reserve $	Total $
Balance at 1 July 2020		28,641,172	(29,142,835)	352,390	525,944	(26,657)	350,014
Loss for the year		-	(834,642)	-	-	-	(834,642)
Other comprehensive income for the year		-	-	-	-	(6,351)	(6,351)
Total comprehensive income		-	(834,642)	-	-	(6,351)	(840,993)
Transaction with owners, directly in equity							
Shares issued during the year	12a	5,630,000					5,630,000
Transaction costs		(650,046)					(650,046)
Transfer to listed options reserve		(916,664)		916,664			-
Options issued during the year	12b	-	-	539,903		-	539,903
Balance at 30 June 2021		32,704,462	(29,977,477)	1,808,957	525,944	(33,008)	5,028,878

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

Consolidated statement of cash flows

for the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and employees		(856,885)	(379,368)
Interest received		102	520
Net cash used in operating activities	8c.i	(856,783)	(378,848)
Cash flows from investing activities			
Payments for exploration expenditure		(1,013,160)	(211,793)
Net cash used in investing activities		(1,013,160)	(211,793)
Cash flows from financing activities			
Proceeds from issue of equity securities		5,500,000	-
Proceeds from the issue of convertible notes		200,000	
Transaction costs related to issue of shares and convertible notes		(345,719)	
Proceeds from borrowings		600,000	
Repayment of borrowings and convertible notes		(800,000)	
Transaction costs related to loans		(25,600)	
Net cash (used)/provided by financing activities		5,128,681	-
Net (decrease)/increase in cash held		3,258,738	(590,641)
Cash and cash equivalents at the beginning of the year		142,060	732,949
Effect of exchange rates on cash holdings in foreign currencies		(5,973)	(248)
Cash and cash equivalents at the end of the year	8a	3,394,825	142,060

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

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1 Statement of significant accounting policies

These are the consolidated financial statements and notes of Ragnar Metals Limited (**Ragnar Metals** or **the Company**) and controlled entities (collectively **the Group**). Ragnar Metals is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of Ragnar Metals, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

The financial statements were authorised for issue on 10 September 2021 by the directors of the Company.

a. Basis of preparation

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial reports have been prepared on an accruals basis and is based on historic costs modified by the revaluation of financial assets, financial liabilities and selected non-current assets for which the fair value basis of accounting has been applied.

The presentation currency of the company is Australian Dollars (AUD).

i. Statement of compliance

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

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

ii. Going Concern

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

As disclosed in the financial statements, the consolidated entity incurred a loss of $834,632 (2020: $492,618) and had net cash outflows from operating and investing activities of $679,323 (2020: $378,848) and $1,190,620 (2020: $211,793) respectively for the year ended 30 June 2021. As at that date, the consolidated entity had net current assets of $3,297,248 (2020: $42,705).

The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The Directors have considered the impact of the COVID-19 pandemic on the position of the Company at 30 June 2021 and its operations in future periods

iii. Use of estimates and judgments

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

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

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1e.

iv. Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1 Statement of significant accounting policies

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

b. **Accounting Policies**

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods but determined that their application to the financial statements is either not relevant or not material.

c. **Basis of consolidation**

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

d. **Foreign currency transactions and balances**

i. **Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

ii. **Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

iii. **Group companies and foreign operations**

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

e. **Critical Accounting Estimates and Judgments**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1 Statement of significant accounting policies

i. **Key Judgments – Exploration and evaluation expenditure**

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest. The carrying value of capitalised expenditure at reporting date is $1,731,631 (2020: $307,309).

During the financial year, the Group undertook assessment of its tenement assets, as a result of this assessment, the Group decided to impair some of its exploration assets. Refer Note 10.

ii. **Key Judgments – Environmental Issues**

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

iii. **Key Estimate – Taxation**

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 6 Income Tax.

iv. **Key judgements and estimates – Share-based payments**

The Group measures the cost of equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 18 Share-based payments.

v. **Key judgements and estimates – Impairment**

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount at the reporting date. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made

f. **New, revised or amending Accounting Standards and Interpretations**

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to the Company's accounting policies.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1 Statement of significant accounting policies

g. **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The group is currently assessing the impact of these new or amended Accounting Standards and Interpretations.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Interest Rate Benchmark Reform – Phase 2 (Amendments to AASB 9, 139 and 7)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023. The group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

i. **Other standards not yet applicable**

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

Note 2 Company details

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

Address:	Level 3
	35 Outram Street
	WEST PERTH WA 6005
Postal:	PO Box 1240
	WEST PERTH WA 6872
Telephone:	+61 (08) 6245 2050
Facsimile:	+61 (08) 6245 2055

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 3 Revenue and other income

	2021 $	2020 $
a. Revenue		
Interest	102	520
	102	520
b. Other Income		
Foreign exchange gain/(loss)	(15,051)	(11,247)
	(15,051)	(11,247)

Note 4 Profit / (loss) before income tax

	2021 $	2020 $
The following significant revenue and expense items are relevant in explaining the financial performance:		
a. Employment costs:		
• Directors' fees	69,995	68,200
	69,995	68,200
b. Impairment:		
• Impairment of exploration and evaluation assets	33,411	17,046
	33,411	17,046

Note 5 Auditor's remuneration

	2021 $	2020 $
Remuneration of the auditor of the Ragnar Metals, Hall Chadwick WA Audit Pty Ltd formerly Bentleys Audit & Corporate (WA) Pty Ltd for:		
• Auditing or reviewing the financial reports:	29,004	25,210
• Taxation services provided by a related practice of the Auditor	7,440	4,400
• Independent Accountants Report for Prospectus	8,000	-
	44,444	29,610

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 6 Income tax

		Note	2021 $	2020 $
a.	**Income tax expense / (benefit)**			
	Current tax		-	-
	Deferred tax		-	-
			-	-
	Deferred income tax expense included in income tax expense comprises:			
	• Increase / (decrease) in deferred tax assets	6c	-	-
	• (Increase) / decrease in deferred tax liabilities	6d	-	-
			-	-
b.	**Reconciliation of income tax expense to prima facie tax payable**			
	The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		(834,642)	(492,618
	Australian Tax Rate		26%	27.5%
	Prima facie tax payable / (refundable) on operating loss at 26% (2020: 27.5%)		(217,007)	(135,470)
	Add / (Less)			
	Tax effect of:			
	• Other non-allowable items		71,112	25,840
	• Capital raising & Borrowing costs deductible		(5,125)	948
	• Deferred tax asset not brought to account		151,020	108,682
	Income tax expense / (benefit) attributable to operating loss		-	-
c.	**Deferred tax assets**			
	Tax losses		2,754,592	2,762,642
	Capital Losses		316,322	334,571
	Other		61,087	16,526
	Total deferred tax assets		3,132,002	3,113,739
	Set-off deferred tax liabilities pursuant to set-off provisions		-	-
	Net deferred tax assets		3,132,002	3,113,739
	Less deferred tax assets not recognised		(3,132,002)	(3,113,739)
	Net tax assets		-	-
d.	**Deferred tax liabilities**			
	Other		-	-
	Total Deferred Tax Liabilities		-	-
	Set-off deferred tax assets pursuant to set-off provisions		-	-
	Net deferred tax liabilities		-	-

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 6 Income tax (cont.)	Note	2021 $	2020 $
Unused tax losses for which no deferred tax asset has been recognised,		10,594,586	10,045,970
Unused capital losses for which no deferred tax asset has been recognised		1,216,623	1,216,623
Potential tax benefit at 26.0% (2020: 27.5%)		3,070,914	3,097,213

The benefit for tax losses will only be obtained if:

a) The company and consolidated entity derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be utilised;
b) The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and
c) No changes in tax legislation adversely affect the ability of the company and consolidated entity to realise these benefits.

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

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

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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

Other taxes

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 7 Earnings per share (EPS)

	Note	2021 $	2020 $
a. Reconciliation of earnings to profit or loss			
(Loss) / profit for the year		(834,642)	(492,618)
• Loss from continuing operations used in the calculation of basic EPS		(834,642)	(492,618)

	Note	2021 $	2020 $
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	7d	93,534,204	313,424,062

	Note	2021 ¢	2020 ¢
c. Earnings per share			
From continuing operations		(0.89)	(0.16)
Basic EPS (cents per share)	7d	(0.89)	(0.16)

d. At the end of the 2021 financial year, the Group has 164,266,497 unissued shares under options (2020: 96,500,001). The Group does not report diluted earnings per share on annual losses generated by the Group.

Note 8 Cash and cash equivalents

	2021 $	2020 $
a. Current		
Cash at bank	3,394,825	142,060
	3,394,825	142,060

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23 Financial risk management.

Notes to the consolidated financial statements

for the year ended 30 June 2021

	Note	2021 $	2020 $
c. **Cash Flow Information**			
i. Reconciliation of cash flow from operations to (loss)/profit after income tax			
Loss after income tax		(834,642)	(492,618)
Cash flows excluded from (loss)/profit attributable to operating activities			
Non-cash flows in (loss)/profit from ordinary activities:			
• Impairments		6,465	17,046
• Share-based payments	18	133,791	8,900
• Foreign exchange loss		15,051	11,247
• Finance Costs		90,100	(7,361)
Changes in assets and liabilities:			
• (Increase)/decrease in receivables		(23,589)	21,895
• Increase/(decrease) in trade and other payables		(243,959)	62,043
Cash flow from operations		(856,783)	(378,848)

d. **Credit standby facilities**

The Group has no credit standby facilities.

e. **Non-cash investing and financing activities**

(i) The company issued 6,500,000 shares escrowed until 19/05/2022 as consideration for the acquisition during the year of the 80% of the Leeds Project and 100% of the Kenya project. Further, 4,000,000 options valued at $32,784 were included as consideration for the Leeds Project.

(ii) The company granted 45,000,000 options valued at $368,828 to the lead manager of the capital raising, CPS capital, or its nominees. 1 cent per option totalling $4,500 was paid for these options.

Note 9 Trade and other receivables

	2021 $	2020 $
a. **Current**		
GST and VAT receivable	199,715	18,881
Other receivables	28,610	3,987
	228,325	22,868

Trade receivables are measured on initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less provision for impairment due to their short term nature. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

Notes to the consolidated financial statements

for the year ended 30 June 2021

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

Expected credit losses

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

Where applicable, in measuring the expected credit losses, the trade receivables are assessed on a collective basis as they possess shared credit risk characteristics. They are grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 30 June 2021 and 30 June 2020 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23 Financial risk management.

Note 10 Exploration and evaluation assets

	Note	2021 $	2020 $
a. **Non-current**			
Carrying amount at beginning of period		307,309	113,602
Exploration expenditure capitalised		1,465,051	210,753
Impairment and exploration activities written off		(40,729)	(17,046)
Carrying amount at the end of the year		1,731,631	307,309

b. Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.

c. During the year the Company reviewed the capitalised exploration, resulting in an impairment loss recognised of $40,729 in relation to the Scandinavian projects following the non-renewal of the license Tullsta nr 5 (2020: $17,046 – Scandinavian Projects)

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:

  i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

  ii) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 10 Exploration and evaluation assets: continued

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Note 11 Trade and other payables

	Note	2021 $	2020 $
a. **Current**			
Unsecured			
Trade payables	11b	305,403	78,958
Accruals		20,500	25,750
Employment related payables		-	17,515
		325,903	**122,223**

b. Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

c. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23 Financial risk management.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Note 12 Issued capital

	Note	2021 No.	2020 No.	2021 $	2020 $
Fully paid ordinary shares at no par value	12a	344,184,889	313,424,062	28,641,172	28,641,237
a. **Ordinary shares**					
At the beginning of the period		313,424,062	313,424,062	28,641,172	28,641,237
Post Consolidation Balance (1)		62,684,889	-	-	-
Shares issued during the year: (ii)		275,000,000	-	5,500,000	-
Restricted Shares Issued (iii)		6,500,000	-	130,000	-
Transaction costs – share issue		-	-	(650,046)	-
Transfer to listed options reserve		-	-	(916,664)	-
Unmarketable parcel buy back		-	-	-	(65)
At reporting date		344,184,889	313,424,062	32,704,462	28,641,172

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note (i) : All Securities Consolidated at a ratio of 5:1 as of record date 12 April 2021.

Note (ii) : A public offer of 275,000,000 shares at an issue price of $0.02 each to raise $5,500,000 together with 1 new option for every share issued.

Note (iii) : 6,500,000 shares offered under the Vendor offer ranking equally with existing shares on issue with a restriction period of 12 months the date of issue, being 19 May 2022, 2,500,000 shares as part consideration payable to the Kenya vendors for 100% interest in the Kenya project tenements and 4,000,000 shares as part consideration to the Leeds Vendors for the acquisition of 80% interest in the Leeds projects.

b. Options Unlisted	Note	Exercise Price	Expiry Date	2021 No.	2020 No.	2021 $	2020 $
Options				96,500,001	93,500,001	352,390	343,490
Opening Balance				96,500,001	93,500,001	352,390	343,490
Post Consolidation Balance	(i)			19,300,002			
Options Expired	(ii)			(18,700,002)			
Balance remaining		$0.075	02/09/22	600,000			8,900
Advisor Options	(iii)	$0.04	19/05/23	45,000,000		373,328	
Vendor Options	(iii)	$0.04	19/05/23	4,000,000		32,784	
Director Options	(iii)	$0.04	19/05/23	15,000,000		122,943	
Employee Options 1	(iv)	$0.04	19/05/23	4,000,000	3,000,000	8,732	
Employee Options 2	(iv)	$0.06	17/06/21	2,000,000		1,320	
Employee Options 3	(iv)	$0.08	17/06/21	2,000,000		796	
				72,600,000	96,500,001	892,293	352,390

c. Options Listed	Note	Exercise Price	Expiry Date	2021 No.	2020 No.	2021 $	2020 $
Opening Balance				0	-	0	--
Listed Options	(V)	$0.04	19/05/23	91,666,497	-	916,665	-
				91,666,497	-	916,665	-
Total Options				**164,266,497**	**96,500,001**	**1,808,958**	**352,390**

Note (i) All Securities Consolidated at a ratio of 5:1 as of record date 12 April 2021

Note (ii) Total options expired

- Expiry of 2,800,000 options without conversion on 05/05/2021 (Price $0.15)
- Expiry of 7,000,002 options without conversion on 08/06/2021 (Price $0.10)
- Expiry of 400,000 options without conversion on 08/06/2021 (Price $0.15)
- Expiry of 5,000,000 options without conversion on 08/06/2021 (Price $0.125)
- Expiry of 3,500,000 options without conversion on 13/06/2021 (Price $0.105)

Note (iii) These have an exercise price of $0.04 and expiry date of 19/05/2023

Notes to the consolidated financial statements

for the year ended 30 June 2021

- 45,000,000 Advisor options. These are restricted securities for 24 months from the date of reinstatement to quotation.
- 15,000,000 Director options. These are restricted securities for 24 months from the date of reinstatement to quotation.
- 4,000,000 Leeds project options. These are restricted securities for 12 months from the date of issue of the restricted securities.

See note 18 for further details.

Note (iv) The Employee options are issued under the company's incentive option plan and subject to the vesting condition 50% upon completing 12 months continuous employment and 50% upon 18 months continuous engagement with the company.

- 4 million employee options exercisable on or before 19/05/23 at an exercise price of $0.04 per option.
- 2 million employee options exercisable on or before 17/06/23 at an exercise price of $0.06 per option.
- 2 million employee options exercisable on or before 17/06/2023 at an exercise price of $0.08 per option.

The fair value of option is ascertained by internal valuation using a Black-Scholes pricing model which incorporates all market vesting conditions

Note (v) On 27 May 2021 the company completed a $5.5 million placements through the issue of 275,000,000 shares at $0.02 per share. These free attaching options were issued attached to the new issue at a ratio of 1 option for every 3 shares issued. Exercise price and expiry date as noted. These options were valued at $0.01 on listing.

Terms of Ordinary Shares

Voting rights

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

At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 13 Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads.

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group were as follows:

	Note	2021 $	2020 $
Cash and cash equivalents	8	3,394,825	142,060
Trade and other receivables	9	228,325	22,868
Trade and other payables	11	(325,902)	(122,223)
Working capital position		**3,297,248**	**42,705**

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 14 Reserves

	Note	2021 $	2020 $
Option reserve	12c	1,808,958	352,390
Foreign exchange reserve		(33,008)	(26,657)
Share-based payment reserve		525,944	525,944
		2,301,894	851,677

a. **Option reserve**

The option reserve records items recognised as expenses on the value of directors, employee and other options. Please refer Note 12c and Note 18 for further information.

b. **Foreign exchange translation reserve**

The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiaries.

c. **Share-based payments reserve**

The share-based payments reserve records cost of shares which were granted as share-based payments.

Note 15 Controlled entities

Ragnar Metals Limited is the ultimate parent of the Group.

a. **Subsidiaries**

	Country of Incorporation	Class of Shares	Percentage Owned 2021	Percentage Owned 2020
• Drake Resources Sweden AB	Sweden	Ordinary	100	100
• Drake (Euro) Pty Ltd	Australia	Ordinary	100	100
• Ragnar Sweden AB	Sweden	Ordinary	100	100
• Loki Exploration Pty Ltd	Australia	Ordinary	100	100

b. Investments in subsidiaries are accounted for at cost.

Note 16 Key Management Personnel compensation (KMP)

The names are positions of KMP are as follows:

- Mr Steve Formica — Non-Executive Chairman
- Mr Ariel (Eddie) King — Executive Director
- Mr David Wheeler — Non-Executive Director

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by the Corporations Regulations 2M.3.03 is provided in the Remuneration report. $114,795 (2020:$81,800) was capitalised as exploration expenditure.

	2021 $	2020 $
Short-term employee benefits	183,590	150,000
Share-based payments – Note 18	122,943	8,900
Total	306,533	158,900

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 17 Related party transactions

Transactions between related parties are on normal commercial terms and conditions are no more favourable than those available to other parties unless otherwise stated.

a. Transactions with KMP

Eddie King

During the year, a company related to this director, King Corporate Pty Ltd committed to lend $50,000 to Ragnar Metals Limited. The loan facility was drawn down by the company on 16/02/2021. A facility fee of 6% ($3,000) was recorded on the loan and interest of 10% accrued on the loan until repayment on 21/05/2021. Total interest paid amounted to $1,287.67

Steve Formica

During the year a company related to this director, Stevsand Investments Pty Ltd committed to lend $100,000 and then a further $400,000 to Ragnar Metals Limited. The loan facility was drawn down by the company between September 2020 and May 2021. A facility fee of 6% ($6,000) was recorded on the loan of $100,000 and 5% ($12,500) on the next $250,000 drawn and interest of 10% accrued on the loan until repayment on 21/05/2021. Total interest paid amounted to $6,547.95.

b. Balances and transactions between Ragnar Metals Limited and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not discussed in this note. Details of transactions between the Group and other related parties are disclosed above.

Details of KMP remuneration are disclosed in Note 16.

Note 18 Share-based payments	Note	2021 $	2020 $
Share-based payment expense	18a i)	133,791	8,900
Gross share-based payments		133,791	8,900

a. **The following share-based payment arrangements existed at 30 June 2021**

i. Share-based payments – Employee Share options

- During the 2020 financial year the company issued 3,000,000 options to Steve Formica at an exercise price of $0.015 each, exercisable on or before 2 September 2022. During the year these were consolidated into 600,000 options at an exercise price of $0.075 each. The valuation of these options was reported in the 2020 Annual Report.
- On 21 May 2021 the company issued 15 million Director options (6 million to Steve Formica, 6 million to Eddie King and 3 million to David Wheeler). These have an exercise price of $0.04 and an expiry date of 19 May 2023 restricted for 2 years. See note 18c.

  The total fair value of the 15,000,000 options of $122,943 was recognised as share-based employee expense.

- On 21 May 2021 the company issued 4 million Employee options with a vesting date for 2,000,000 options after 12 months of employment and the remaining 2,000,000 options after 18 months of employment. They have an exercise price of $0.04 and an expiry date of 19 May 2023. See note 18c

  The total fair value of the 4,000,000 options of $45,532 will be recognised as share base employee expense over the vesting period. (2021: $8,732)

- On 17 June 2021 the company issued 2 million Employee options with a vesting date for 1,000,000 options after 12 months of employment and the remaining 1,000,000 options after 18 months of employment. They have an exercise price of $0.06 and an expiry date of 17 June 2023. See note 18c

  The total fair value of the 2,000,000 options of $34,530 will be recognised as share base employee expense over the vesting period (2021: $1,320)

Notes to the consolidated financial statements

for the year ended 30 June 2021

- On 17 June 2021 the company issued 2 million Employee options with a vesting date for 1,000,000 options after 12 months of employment and the remaining 1,000,000 options after 18 months of employment. They have an exercise price of $0.08 and an expiry date of 17 June 2023. See note 18c.

  The total fair value of the 2,000,000 options of $31,249 will be recognised as share based employee expense over the vesting period (2021: $797)

ii. Other Share-based payments – Share options

On 21 May 2021 the company issued 45 million Advisor options at $0.0001. These have an exercise price of $0.04 and an expiry date of 19 May 2023 restricted for 2 years. The total fair value of the 45,000,000 options of $368,887 was recognised as capital raising costs in the statement of changes in equity for the year. The company issued 4 million Vendor Options with an exercise price of $0.04 and expiry 19/05/23 restricted for 2 years.

Assumptions Advisor Options:	
Valuation date	19 May 2021
Market price of Shares	$0.02
Exercise price	$0.04
Expiry date	19 May 2023
Risk free interest rate	0.07%
Dividend Yield	0
Expected future volatility	110.1%
Vesting milestone (Time in office)	-
Indicative value per Unlisted Option	$0.0082
Number of options	45,000,000
Total Value of Unlisted Options	$368,828

Assumptions Vendor Options:	
Valuation date	19 May 2021
Market price of Shares	$0.02
Exercise price	$0.04
Expiry date	19 May 2023
Risk free interest rate	0.07%
Dividend Yield	0
Expected future volatility	110.1%
Vesting milestone (Time in office)	-
Indicative value per Unlisted Option	$0.0082
Number of options	4,000,000
Total Value of Unlisted Vendor Options	$32,790

Notes to the consolidated financial statements

for the year ended 30 June 2021

The total fair value of the 4,000,000 options of $32,790 was recognised as cost of acquisition of the new tenements during the year.

- On 27 May 2021 the company issued 91,666,497 listed options attaching to the 275.000.000 issue of shares under the capital raising. There is one free attaching New Option for every 3 shares issued. Options are exercisable on or before 19/05/2021 and an exercise price of $0.04.

b. **Movement in share-based payment arrangements during the period**

A summary of the movements of all company options issued as share-based payments is as follows:

	2021		2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	96,500,001	$0.0228	93,500,001	$0.0230
Consolidated 5:1	19,300,002	$0.114		
Lapsed	18,700,002	$0.116		
Granted	23,000,000	$0.045	3,000,000	$0.0150
Outstanding at year-end	23,600,000	$0.046	96,500,001	$0.0228
Exercisable at year-end	600,000	$0.075	96,500,001	$0.0228

i. The company's share options hold no voting or dividend rights and are not transferable. At balance date, no options had been exercised or expired.

ii. All options granted are for ordinary shares in Ragnar Metals Limited, which confer a right to one ordinary share for every option held. All director options have vested as at balance date and employee options vest as noted in note 12a.

iii. The weighted average remaining contractual life of unlisted options outstanding at year end was 1.88036 years (2020: 0.967 years). The weighted average exercise price of outstanding options at the end of the reporting period was $0.04597 (2020: $0.0228).

c. **Fair value of options grants during the period**

During the year, the Company issued unlisted options to the Company's Directors, Steve Formica, Eddie King and David Wheeler as part of their employment package.

The fair value of the Incentive Options granted during the period are estimated at the date of grant using the Black Scholes option pricing model and based on the assumptions set out below:

Notes to the consolidated financial statements

for the year ended 30 June 2021

Assumptions: Director Options	
Valuation date	19 May 2021
Market price of Shares	$0.02
Exercise price	$0.04
Expiry date	19 May 2023
Risk free interest rate	0.07%
Dividend Yield	0
Expected future volatility	110.1%
Vesting milestone (Time in office)	-
Indicative value per Unlisted Option	$0.0082
Number of options	15,000,000
Total Value of Unlisted Options	$122,943

The options have been valued in accordance with AASB 2 Share Based Payments and bought to account. A value of $122,943 has been expensed for the year.

During the year, the Company issued unlisted options as part of an employment package. (2 million vest after 12 months of employment and 2 million vest after 18 months of employment)

The fair value of the Incentive Options granted during the period are estimated at the date of grant using the Black Scholes option pricing model and based on the assumptions set out below:

Assumptions : Employee Options	
Valuation date	7 April 2021
Market price of Shares	$0.02
Exercise price	$0.04
Expiry date	19 May 2023
Risk free interest rate	0.055%
Dividend Yield	0
Expected future volatility	138.33%
Vesting milestone (Time in office)	12 months/18 months
Indicative value per Unlisted Option	$0.0114
Number of options	4,000,000
Total Value of Unlisted Options	$45,532

The options have been valued in accordance with AASB 2 Share Based Payments and bought to account. A value of $8,732 has been expensed for the year

Notes to the consolidated financial statements
for the year ended 30 June 2021

During the year, the Company issued unlisted options to the Company's employees as part of their employment package. (1 million of each tranche vest after 12 months of employment and the remaining 1 million of each tranche vest after 18 months of employment)

Number of Options	Expiry Date	Exercise Price
2,000,000	19 May 2023	$0.06
2,000,000	19 May 2023	$0.08

The fair value of the Incentive Options granted during the period are estimated at the date of grant using the Black Scholes option pricing model and based on the assumptions set out below:

Assumptions ; Incentive Options	
Valuation date	7 April 2021
Market price of Shares	$0.02
Exercise price	$0.06/$0.08
Expiry date	19 May 2023
Risk free interest rate	0.05%
Dividend Yield	0
Expected future volatility	138.33%
Vesting milestone (Time in office)	12 months/ 18 months
Indicative value per Unlisted Option $0.06	$0.0173
Indicative value per Unlisted Option $0.08	$0.0156
Number of options	4,000,000
Total Value of Unlisted Options	$65,779

The options have been valued in accordance with AASB 2 Share Based Payments and bought to account. A value of $2,118 has been expensed for the year.

Note 19 Commitments

The company's minimum expenditure commitments for their Australian tenements is $45,880 for 2021/2022.

The company had no capital or other expenditure commitments at 30 June 2021 (2020: $Nil).

Note 20 Contingent asset/liabilities

There were no contingent assets or liabilities as at the reporting date.

Note 21 Operating segments

a. **Identification of reportable segments**

The Group operates in the exploration and evaluation of nickel, gold, silver and base metals projects in Western Australia and in Sweden. Inter-segment transactions are priced at cost to the Consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Activities of the Group are managed on a Group structure basis and operating segments are therefore determined on the same basis. In this regard the following list of reportable segments has been identified.

- Ragnar Metals Limited – Mineral Exploration in Western Australia
- Ragnar Sweden AB - Mineral Exploration in Sweden

b. **Basis of accounting for purposes of reporting by operating segments**

i. **Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

ii. **Inter-segment transactions**

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements

iii. **Segment assets**

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

iv. **Segment liabilities**

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

v. **Unallocated items**

The following items of revenue, expenses, assets and liabilities are not allocated to geographic segments as they are not considered part of the core operations of any segment:

- *Income tax expense*
- *Deferred tax assets and liabilities*
- *Current tax liabilities*
- *Other financial liabilities*

Notes to the consolidated financial statements
for the year ended 30 June 2021

For year ended 30 June 2021	Ragnar Metals $	Ragnar Sweden $	Elimination	Total $
Segment Revenue	102	-	-	102
Segment Expenses	(1,422,991)	(19,083)	607,330	(834,744)
Segment Results	(1,422,889)	(19,083)	607,330	(834,642)
As at 30 June 2021				
Segment Assets				
Trade and other receivables	3,484,858	138,292		3,623,150
Non- current Assets	755,098	(749,395)	(5,703)	-
Exploration and evaluation assets	1,332,937	586,495	(187,801)	1,731,631
Total Segment Assets	**5,572,893**	**(24,608)**	**(193,504)**	**5,354,781**
Segment Liabilities				
Current Liabilities	(320,196)	(5,706)		(325,902)
Total Segment Liabilities	**(320,196)**	**(5,706)**	**-**	**(325,902)**
Segment Net Assets	**5,252,697**	**(30,314)**	**(193,504)**	**5,028,879**

Note 22 Events subsequent to reporting date

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group’s operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 23 Financial risk management

a. **Financial Risk Management Policies**

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

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

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

Notes to the consolidated financial statements

for the year ended 30 June 2021

	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2021 Total $	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2020 Total $
Financial Assets								
● Cash and cash equivalents	3,394,825	-	-	3,394,825	142,060	-	-	142,060
● Trade and other receivables	-	-	228,325	228,325	-	-	22,868	22,868
Total Financial Assets	3,394,825	-	228,325	3,623,150	142,060	-	22,868	164,928
Financial Liabilities								
● Trade and other payables	-	-	(325,903)	(325,903)	-	-	(122,223)	(122,223)
Total Financial Liabilities	-	-	(325,903)	(325,903)	-	-	(122,223)	(122,223)
Net Financial Assets/(Liabilities)	3,394,825	-	(97,578)	3,297,247	142,060	-	(99,355)	42,705

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

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

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

Credit risk

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

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The objective of the group is to minimise the risk of loss from credit risk.

Although revenue from operations is minimal, the Group trades only with creditworthy third parties

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

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

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

- *Contractual Maturities*

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

	Within 1 Year		Greater Than 1 Year		Total	
	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables	325,903	122,223	-	-	325,903	122,223
Total contractual outflows	325,903	122,223	-	-	325,903	122,221
Financial assets						
Cash and cash equivalents	3,394,825	142,060	-	-	3,394,825	142,060
Trade and other receivables	228,325	22,868	-	-	228,325	22,868
Total anticipated inflows	3,623,150	164,928	-	-	3,623,150	164,928
Net (outflow)/inflow on financial instruments	3,297,247	42,705	-	-	3,297,247	42,705

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

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board meets on a regular basis and considers the Group's interest rate risk.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Group. Movement in interest rates on the Group's financial liabilities and assets is not material.

Foreign Exchange Risk

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

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Group's financial results. The Group's exposure to foreign exchange risk is minimal; however the Board continues to review this exposure regularly.

Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group does not presently hold material amounts subject to price risk. As such the Board considers price risk as a low risk to the Group.

i. Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

(1) ***Interest rates***	**Profit** **$**	**Equity** **$**
Year ended 30 June 2021		
±100 basis points change in interest rates	±7,931	±7,931
Year ended 30 June 2020		
±100 basis points change in interest rates	±3,917	±3,917

ii. Net Fair Values

(1) ***Fair value estimation***

The fair values of financial assets and financial liabilities are presented in the table in note 23a and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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

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

Trade and other payables.

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

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 24 Parent Entity Disclosures

	2021 $	2020 $
a. **Financial Position of Ragnar Metals Limited**		
Current assets	3,484,858	130,890
Non-current assets	2,088,035	431,341
Total assets	5,572,893	562,231
Current liabilities	320,196	106,820
Total liabilities	320,196	106,820
Net assets	5,252,697	455,411
Equity		
Issued capital	32,704,462	28,641,172
Reserves	2,334,902	878,334
Accumulated losses	(29,786,667)	(29,064,095)
Total equity	5,252,697	455,411
b. Financial performance of Ragnar Metals Limited		
Profit / (loss) for the year	(1,422,052)	(407,528)
Other comprehensive income	-	-
Total comprehensive income	(1,422,052)	(2,058,932)

c. Guarantees entered into by Ragnar Metals Limited for the debts of its subsidiaries

There are no guarantees entered into by Ragnar Metals for the debts of its subsidiaries as at 30 June 2021 (2020: none).

d. **Commitments of Ragnar Metals Limited**

The amounts applicable for both Ragnar Metals Limited (the parent) and the Consolidated Group can be found in Note 19.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 20 to 48, are in accordance with the *Corporations Act 2001* (Cth) and:

    (a) comply with Accounting Standards;

    (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and

    (c) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Group.

    (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

STEVE FORMICA
Chairman
Dated 10 September 2021

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RAGNAR METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ragnar Metals Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a)(i).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and Evaluation – $1,731,631 (Refer Note 10) Exploration and evaluation is a key audit matter due to: • The significance of the balance to the Consolidated Entity's financial position. • The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. • The assessment of impairment of exploration and evaluation expenditure being inherently difficult.	Our procedures included, amongst others: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements. • For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; • We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; • We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest. • We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: ○ the licenses for the right to explore expiring in the near future or are not expected to be renewed;

Key Audit Matter	How our audit addressed the Key Audit Matter
	○ substantive expenditure for further exploration in the specific area is neither budgeted or planned ○ decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. We assessed the appropriateness of the related disclosures in note 10 to the financial statements.
Share Based Payments As disclosed in Note 12, the Consolidated Entity has various options on issue to consultants and related parties which are subject to various performance and service conditions. These are subject to the measurement and recognition criteria of *AASB 2 "Share-based payments.* We have identified this as a key audit matter as it involves significant assumptions made by management in determining the probability of certain performance conditions being met and the significant amount of share based payments during the year.	Our procedures included amongst others: • review the reconciliation of Options issued during the period; • Assessing the underlying terms and conditions of the options; • Ascertain whether Options have been valued correctly in accordance with AASB 2 based on the terms and conditions of the options issued; • Assessed management's assumptions made on the probabilities of the performance conditions being satisfied; • We assessed the adequacy of the disclosures in Note 12.

Other Information

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with 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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Ragnar Metals Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA PTY LTD

D Bell

DOUG BELL CA
Partner

Dated at Perth this 10th day of September 2021

Additional Information for Listed Public Companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital

a) Ordinary share capital as at 31 August 2021

337,684,889 ordinary fully paid shares held by 911 shareholders.

6,500,000 ordinary fully paid restricted shares held by 4 shareholders

b) Listed Options over issued Shares

91,666,497 Listed Options with a $0.04 exercise price per option expiring 19 May 2023

c) Unlisted Options over Unissued Shares

- 4,000,000 Unlisted Options (Employee) with a $0.04 exercise price per Option expiring 19 May 2023
- 2,000,000 Unlisted Options (Employee) with a $0.06 exercise price per Option expiring 17 June 2023
- 2,000,000 Unlisted Options (Employee) with a $0.08 exercise price per Option expiring 17 June 2023
- 600,000 Unlisted Options with a $0.075 exercise price per Option expiring 2 September 2022
- 64,000,000 Unlisted Options (Broker and Vendor options) with a $0.04 exercise price per Option expiring 19 May 2023, restricted for 2 years

d) Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Listed and Unlisted Options**: Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as ordinary shares.

a. Substantial Shareholders as at 31 August 2021

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Mr Jason Peterson	23,500,000	6.83

b. Distribution of Shareholders as at 31 August 2021

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	69	10,629	0.00
1,001 – 5,000	11	20,685	0.01
5,001 – 10,000	79	715,535	0.21
10,001 – 100,000	385	18,455,545	5.36
100,001 – and over	371	324,982,495	94.42
	915	344,184,889	100.00

c. Unmarketable Parcels as at 31 August 2021

As at 31 August 2021 there were 176 fully paid ordinary shareholders holding less than a marketable parcel of shares.

d. On-Market Buy-Back

There is no current on-market buy-back.

Additional Information for Listed Public Companies

a. Restricted Securities

Of the total 344,184,889 ordinary shares 6,500.000 are unquoted and classified as restricted securities for 12 months from the date of issue, being 19 May 2021

Of the 60,000,000 unlisted director and advisor options expiring 19 May 2023, the 45,000.000 advisor options are restricted securities until 24 months from the date of issue of the securities, being 19 May 2021 and 15,000,000 director options until 24 months after the date of reinstatement to official quotation of the company's securities.

4,000,000 unlisted vendor options expiring 19 May 2023 are restricted for 12 months after date of issue.

b. 20 Largest Shareholders — Ordinary Shares as at as at 31 August 2021

1.	Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	17,000,000	4.94
2.	HSBC Custody Nominees (Australia) Limited	7,847,179	2.28
3.	Taurus Capital Group Pty Ltd	7,257,143	2.11
4.	Shah Nominees Pty Ltd <Louis Carsten Superfund A/C>>	6,250,000	1.82
5.	Surfit Capital Pty Ltd	6,000,000	1.74
5.	Ton-Cheng Pty Ltd <Ton-Cheng Unit A/C>	6,000,000	1.74
7.	Mr Peter Francis Scanlan	5,632,629	1.64
8.	Bellcoo Investments Pty Ltd <The Northlake S/F A/C>	5,500,000	1.60
9.	Celtic Capital Pte Ltd <Investment 1 Account>	5,000,000	1.45
9.	First One Realty Pty Ltd	5,000,000	1.45
9.	Formica Investments Pty Ltd <The Formica Family S/F A/C >	5,000,000	1.45
12.	JAPL Nominees Pty Ltd <JAPL Investment A/C>	4,600,000	1.34
13.	Stevsand Investments Pty Ltd <Steven Formica Family A/C >	4,000,000	1.16
14.	Mr Brian Joseph Glynn	3,700,000	1.08
15.	Surf Coast Capital Pty Ltd <Minnie P/F A/C>	3,600,000	1.05
16.	Cityside Investments Pty Ltd	3,500,000	1.02
17.	Mr Ariel Edward King	3,300,000	0.96
18.	Isla Zast Pty Ltd <Isla Zast Super Fund A/C>	3,250,000	0.94
19.	Annbrool Capital Pty Ltd	3,075,000	0.89
20.	Domran Investments Pty Ltd	3,010,087	0.87
		108,522,038	31.53

2 The Company Secretary is Jessamyn Lyons.

3 Principal registered office

As disclosed in the Corporate Directory on page i of this Annual Report.

4 Registers of securities

As disclosed in the Corporate Directory on page i of this Annual Report.

5 Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, As disclosed in the Corporate Directory on page i of this Annual Report.

6 Use of funds

The Company has used its funds in accordance with its initial business objectives.