KAISER REEF LIMITED

ABN 38 635 910 271

Annual Report

For the period from incorporation 2 September 2019 to 30 June 2020

Kaiser Reef Limited

ABN 38 635 910 271

CONTENTS

Kaiser Reef Limited

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CORPORATE DIRECTORY

Directors	Mr Adrian Byass Non-Executive Chairman Mr David Palumbo Non-Executive Director Mr Jonathan Downes Executive Director
Company Secretary	Mr David Palumbo
Registered Office	Level 11, 216 St Georges Terrace Perth WA 6000
Principal Place of Business	Unit 3, Churchill Court 335 Hay Street Subiaco WA 6008
Postal Address	GPO Box 2517 Perth WA 6831
Web Site	www.kaiserreef.com.au
Share Registry	Automic Registry Pty Ltd Level 2, 267 St Georges Terrace Perth WA 6000
Auditors	PKF Perth Level 4 35 Havelock Street West Perth WA 6005
Securities Exchange Listing	ASX Code: KAU
Country of Incorporation and Domicile	Australia

DIRECTOR'S REPORT

For the period ended 30 June 2020

The directors present the following report on Kaiser Reef Limited ("the Company") and its wholly owned subsidiaries (together referred to hereafter as "the Group") since incorporation 2 September 2019 to 30 June 2020.

Directors

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

Adrian Byass	Non-executive Chairman (appointed 2 September 2019)
Jonathan Downes	Executive Director (appointed 2 September 2019)
David Palumbo	Non-executive Director (appointed 15 September 2019)
Elizabeth Laursen	Non-Executive Director (appointed 2 September 2019 and resigned 15 September 2019)

Company Secretary

David Palumbo was appointed Company Secretary on 15 September 2019.

Principal Activities

The principal activity of the Group during this period was the acquisition and exploration of resource projects.

Operating Results

The loss of the Group for this period ended 30 June 2020 amounted to $318,999**.**

Financial Position

As at 30 June 2020 the Group had a cash balance of $4,027,770 and a net asset position of $5,363,207.

Dividends Paid or Recommended

No dividends have been paid, and the directors do not recommend the payment of a dividend for the period ended 30 June 2020.

Corporate Governance Statement

The Company has disclosed its corporate governance statement on the Company website at www.kaiserreef.com.au.

Significant Changes in State of Affairs

On 28 February 2020, Kaiser Reef Limited commenced trading on the ASX (ASX code: KAU), through an initial public offering ("IPO") of 22,500,000 shares at an issue price of $0.20 per share, raising $4,500,000.

Following admission to the Official List, Kaiser Reef Limited completed the proposed acquisition of 100% of Chase Metals Pty Limited on 28 February 2020, through the issue of 6,000,000 ordinary shares and cash payment of $24,529.

There were no other significant changes in the state of affairs of the Group that occurred during the year not otherwise disclosed in this report or in the financial report**.**

Corporate

As at the date of this report the following securities were on issue:

ORDINARY SHARES	2020	
	No.	
Fully Paid Ordinary Shares	33,450,001	
OPTIONS	**No.**	**Grant Date**
30 cents expiring on 31 January 2023	4,250,000	19 September 2019
40 cents expiring on 31 January 2024	4,500,000	15 September 2019
30 cents expiring on 21 February 2023	1,750,000	21 February 2020
40 cents expiring on 10 August 2022	250,000	10 August 2020

Review of Operations

Kaiser Reef Limited (ASX: KAU) (**Kaiser** or the **Company**) is pleased to report on its Annual Report for activities up to 30 June 2020. The Company prepared a Prospectus and sought admission to the official list on the Australian Securities Exchange which occurred on 26 February this year.

Kaiser has then focused on the Stuart Town project, situated between Australia's largest gold mine, Cadia, and Alkane's recent significant gold discovery at Boda.

Kaiser has been active in conducting geophysical surveys and working with the geophysical survey group Resource Potentials in the lead up to drilling. The data interpreted includes airborne magnetic and radiometric survey data as well as high resolution soil surveys and re-modelling of data from previously conducted gravity and IP surveys. This detailed information has formed the basis of defining the first phase of drill targets with mapped and modelled intrusive units appearing to be more extensive and larger than previously thought. These modelled intrusive units encouragingly underly the extensive historic gold workings, providing a correlation with gold mineralisation.

Kaiser appointed a team of locally experienced geologists who had been conducting site mapping and drill planning. Local landowners have been met and further historic data has been acquired and incorporated into our database as we approach the commencement of drilling.

Landowner negotiations were held as well seeking industry standard Government access and drilling permits. The Company has faced the challenges of dealing with the Covid-19 virus and delays have been encountered on several fronts however Kaiser has managed to maintain strong forward momentum.

Subsequent to this reporting period, Kaiser commenced drilling and also commenced work towards a potential material acquisition. Details around these ongoing activities will be released in due course.

Events after the Reporting Period

On 10 August 2020 the Company announced it had issued 250,000 incentive options exercisable at 40 cents with an expiry of 10 August 2022 to a technical consultant.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since the end of audited period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Information on Directors

The names of directors who held office from incorporation until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Adrian Byass *BSc Geol Hons, B. Econ, FSEG and MAIG*
Non-Executive Chairman (Appointed 2 September 2019)

Mr Byass has over 20 years' experience in the mining and minerals industry. This experience has principally been gained through evaluation and development of mining projects for a range of base, precious and specialty metals and bulk commodities. Due to his experience in resource estimation and professional association membership, Mr Byass is a competent person for reporting to the ASX for certain minerals. Mr Byass has also gained experience in corporate finance, capital raising, permitting and delivery of production-ready mining projects.

Mr Byass is an executive director of Infinity Lithium Corporation and is a non-executive director of Galena Mining Limited and Kingwest Resources Limited. Mr Byass was previously a Director of Fertoz Limited (resigned 22 June 2020).

Interest in Securities
- 3,000,000 fully paid ordinary shares
- 2,000,000 unlisted options exercisable at $0.30 on 31/01/2023
- 2,000,000 unlisted options exercisable at $0.40 on 31/01/2024

Jonathan Downes BSc Geol, MAIG
Executive Director (Appointed 2 September 2019)

Mr Downes has over 20 years' experience in the minerals industry and has worked in various geological and corporate capacities. Experienced with nickel, gold and base metals, he has also been intimately involved with the exploration process through to production.

Mr Downes is on the board of several ASX-listed companies; he is formerly the managing director of Ironbark Zinc Limited (resigned 2 December 2019) and is a non-executive director of Galena Mining Limited, Kingwest Resources Limited and Corazon Mining Limited.

Interest in Securities
- 3,185,000 fully paid ordinary shares
- 2,000,000 unlisted options exercisable at $0.30 on 31/01/2023
- 2,000,000 unlisted options exercisable at $0.40 on 31/01/2024

David Palumbo
Non-Executive Director (appointed 15 September 2019) & Company Secretary (Appointed 2 September 2019)

Mr Palumbo is a Chartered Accountant and a graduate of the Australian Institute of Company Directors with over fourteen years' experience in company secretarial, accounting and financial reporting of ASX listed and unlisted companies, including five years as an external auditor. Mr Palumbo is an employee of Mining Corporate and provides corporate advisory, financial management and corporate compliance services. He has acted as Company Secretary for numerous ASX listed companies, assisted with multiple ASX IPO's and previously served on the Board of Roto International Ltd and High Grade Metals Ltd.

Mr Palumbo is currently the Non-Executive Director of Krakatoa Resources Limited.

Interest in Securities
- 100,000 fully paid ordinary shares
- 100,000 unlisted options exercisable at $0.30 on 31/01/2023
- 100,000 unlisted options exercisable at $0.40 on 31/01/2024

Elizabeth Laursen
Non-Executive Director (appointed 2 September 2019 and resigned 15 September 2019)

Ms Laursen graduated from the University of Western Australia with a Bachelor of Science in Geology. Ms Laursen has vast geological experience and continues to consult to the board on geological matters on an ongoing basis.

REMUNERATION REPORT (AUDITED)

The remuneration report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for key management personnel (KMP) who are defined as those persons having the authority and responsibility for planning and directing the major activities of the Group, directly and indirectly, including any director (whether executive or otherwise).

Remuneration Philosophy

The performance of the Group depends on the quality of the Company's Directors, executives and employees and therefore the Group must attract, motivate and retain appropriately qualified industry personnel.

Remuneration policy

Remuneration levels for the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individual's experience and qualifications.

During this period, the Group did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive Directors.

The remuneration of executive and non-executive Directors is not dependent on the satisfaction of performance conditions. Remuneration and share based payments are issued to align Directors' interest with that of shareholders.

Non-Executive Directors Remuneration

Mr Byass was appointed Non-Executive Chairman on 2 September 2019. Mr Byass is entitled to receive $60,000 per annum (exclusive of superannuation) for his role of Chairman. Mr Downes is entitled to receive $150,000 per annum (exclusive of superannuation) for his role as Executive Director in accordance with his Executive Services Agreement. The Executive Services Agreement will continue until it is validly terminated in accordance with its terms. Mr Palumbo is entitled to receive $45,000 per annum (exclusive of superannuation) for his role as Non-Executive Director.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. Before a determination is made by the Company in a general meeting, the aggregate sum of fees payable by the Company to the Non-Executive Directors is a maximum of $300,000 per annum. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the Directors and Key Management Personnel of the Group for the period ended 30 June 2020 are:

2020 Key Management Person	Short-term Benefits		Post-employment Benefits	Other Long-term Benefits	Equity-settled share based Payments		Total	Performance based as a percentage of Remuneration
	Cash, salary & bonus	Other	Super-annuation	Other	Equity	Share Appreciation Rights		
	$		$	$	$	$	$	%
Directors								
Adrian Byass[1]	22,278	-	-	-	-	-	22,278	0%
Jonathan Downes[1]	51,250	-	4,869	-	-	-	56,119	0%
David Palumbo[2]	16,709	-	-	-	-	-	16,709	0%
Elizabeth Laursen[3]	-	-	-	-	-	-	-	0%
TOTAL	**90,237**	**-**	**4,869**	**-**	**-**	**-**	**95,106**	

[1] Appointed 2 September 2019

[2] Appointed 15 September 2019

[3] Appointed 2 September 2019 and resigned 15 September 2019

Transactions with related parties

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

	$ 2020
Mining Corporate Pty Ltd – related party to David Palumbo	
Transaction facilitation services, company secretarial, accounting and bookkeeping services during this period	63,240
Total during the period	63,240

Outstanding balances arising from transactions

	$ 2020
Mining Corporate Pty Ltd – related party to David Palumbo	
Company secretarial, accounting and bookkeeping services during this period	13,493
Total payable at the end of the reporting period	13,493

Loan to Directors and their related parties

No loans have been made to any Director or any of their related parties during this period. There were no further transactions with Directors including their related parties other than those disclosed above.

KMP Shareholdings

The number of ordinary shares in Kaiser Reef Limited held by each KMP of the Company during the period ended 30 June 2020 is as follows:

	Balance at beginning of period	Granted as remuneration during the period	Issued on exercise of options during the period	Other changes during the period	Balance at end of the period
30 June 2020					
Adrian Byass	-	-	-	3,000,000	3,000,000
Jonathan Downes	-	-	-	3,185,000	3,185,000
David Palumbo	-	-	-	100,000	100,000
Elizabeth Laursen	-	-	-	450,001	450,001
	-	-	-	6,735,001	6,735,001

KMP Options Holdings

The number of options over ordinary shares in the company held during the period ended 30 June 2020 by each KMP of the Company is as follows:

30 June 2020	Balance at beginning of period	Granted during the period	Exercised during the period	Other changes during the period	Balance at end of period
Adrian Byass	-	-	-	4,000,000[1,2]	4,000,000
Jonathan Downes	-	-	-	4,000,000[1,2]	4,000,000
David Palumbo	-	-	-	200,000[1,3]	200,000
Elizabeth Laursen	-	-	-	-	-
	-	-	-	8,200,000	8,200,000

[1]Options were issued on 15 September 2019 as promoter options on the foundation of the company.

[2] 2,000,000 options exercisable at $0.30 on 31/01/2023 & 2,000,000 options exercisable at $0.40 on 31/01/2024

[3] 100,000 options exercisable at $0.30 on 31/01/2023 & 100,000 options exercisable at $0.40 on 31/01/2024

End of Remuneration Report

Meeting of Directors

During the period 1 director's meeting was held. Attendance by each director during the period were as follows:

	Director's Meetings	
	Number eligible to attend	Director's meetings attended
Adrian Byass	1	1
Jonathan Downes	1	1
David Palumbo	1	1

Future Developments, Prospects and Business Strategies

Further information, other than as disclosed in this report, about likely developments in the operations of the Group and the expected results of those operations in future periods has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Group.

Proceedings on Behalf of the 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 period.

Environmental Issues

The operations and proposed activities of the Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. In this regard, the NSW Resources Regulator from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they be may be held personally liable, except when there is a lack of good faith.

During the period ended 30 June 2020, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditors

The Company has not, during the period ended 30 June 2020, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During this period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Officers of the Company who are former partners of PKF Perth

There are no officers of the Company who are former partners of PKF Perth.

Non-audit services

The following amounts were paid to the auditors of the Group, PKF Perth, for non-audit services provided during the period ended 30 June 2020:

	2020 $
Non-audit services:	
Taxation and other services	-

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, PKF Perth, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is included within and forms part of this Directors' Report for the period ended 30 June 2020.

Auditor

PKF Perth continues in office in accordance with s327 of the Corporation Act 2001.

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

Jonathan Downes
Executive Director

Dated this 28th day of September 2020

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF KAISER REEF LIMITED

In relation to our audit of the financial report of Kaiser Reef Limited for the year ended 30 June 2020, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

28 SEPTEMBER 2020
WEST PERTH
WESTERN AUSTRALIA

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Kaiser Reef Limited
ABN 38 635 910 271

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020

	Note	2020 $
Revenue		
Other Income		-
Expenses		
Accounting and audit fees		(86,640)
Corporate advisory and consulting fees		(20,375)
Director & employee benefits expense		(95,105)
Legal expenses		(15,193)
Marketing expenses		(13,200)
Finance costs		(832)
Travel expenses		(3,384)
Depreciation	2	(8,136)
Tenement expenses		(1,900)
Occupancy expenses		(6,509)
Administration & other expenses		(67,725)
Loss before income tax expense		(318,999)
Income tax expense	3	-
Loss after income tax for the period		(318,999)
Other comprehensive income net of income tax		-
Total comprehensive loss for the period		(318,999)
Loss Per Share		
Basic and diluted loss per share (cents per share)	4	(2.73)

The accompanying notes form part of these financial statements.

Kaiser Reef Limited
ABN 38 635 910 271

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5	4,027,770
Trade and other receivables	6	32,865
Other current assets		7,434
TOTAL CURRENT ASSETS		**4,068,069**
NON-CUURENT ASSETS		
Exploration and evaluation assets	7	1,388,987
Plant and equipment	8	3,997
Right-of-use asset	10a	29,342
TOTAL NON-CURRENT ASSETS		**1,422,326**
TOTAL ASSETS		**5,490,395**
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9	93,578
Lease liabilities	10b	12,023
Provisions	11	3,796
TOTAL CURRENT LIABILITIES		**109,397**
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	10b	17,791
TOTAL NON-CURRENT LIABILITIES		**17,791**
TOTAL LIABILITIES		**127,188**
NET ASSETS		**5,363,207**
EQUITY		
Issued capital	12	5,494,956
Share based payment reserve	13	187,250
Accumulated losses		(318,999)
TOTAL EQUITY		**5,363,207**

The accompanying notes form part of these financial statements.

Kaiser Reef Limited

ABN 38 635 910 271

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020

	Issued Capital	Share based payment reserve	Accumulated losses	Total
	$	$	$	$
Incorporated on 2 September 2019	1	-	-	1
Loss for the period	-	-	(318,999)	(318,999)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(318,999)	(318,999)
Transactions with owner directly recorded in equity				
Shares issued	6,130,065	-	-	6,130,065
Share based payments	-	187,250	-	187,250
Share issue cost	(635,110)	-	-	(635,110)
Balance at 30 June 2020	**5,494,956**	**187,250**	**(318,999)**	**5,363,207**

The accompanying notes form part of these financial statements.

Kaiser Reef Limited
ABN 38 635 910 271

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

	Note	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(289,083)
Interest received		-
Net cash used in operating activities	15	**(289,083)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration expenditure		(128,068)
Cash payment for acquisition of subsidiary		(24,529)
Payment for property, plant and equipment		(4,411)
Net cash used in investing activities		**(157,008)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		4,930,066
Share issue costs		(448,122)
Lease liabilities payment		(7,251)
Interest paid		(832)
Net cash provided by financing activities		**4,473,861**
Net increase in cash and cash equivalents		4,027,770
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	5	**4,027,770**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of Kaiser Reef Limited (the "Company") and its wholly owned subsidiaries (together referred to hereafter as "the Group"). Kaiser Reef Limited is a public company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 28 September 2020 by the directors of the Company. The directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted
In the period ended 30 June 2020, the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

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

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases
The Group has adopted AASB 16 from 2 September 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted upon the Group entering into a leasing arrangement during the period, as a result there was no impact on the opening retained earnings.

Basis of Preparation
The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the

Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

a) Operating Segments

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Board of Directors and Managing Director. The Managing Director is responsible for the allocation of resources to operating segments and assessing their performance.

b) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

c) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Kaiser Reef Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 21.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

d) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

e) **Income Tax**

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

f) Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

g) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

h) Right of use assets

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

j) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

k) **Impairment of Non-Financial Assets**

At the end of each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l) **Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12-month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

m) **Share-based Payments**

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

n) Fair Value Measurement

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

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

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

o) Issued Capital

Ordinary shares are classified as equity.

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

p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Kaiser Reef Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares, outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

r) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, restricted cash, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

s) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

t) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

u) Lease liabilities

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

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

v) Revenue

The Company recognises revenue as follows:

Interest

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

w) Finance Costs

All finance costs are recognised as expense in the period in which they are incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

x) Goods and Services Tax (GST)

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

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

y) 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.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued are determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in the notes to the financial statements. The assumptions detailed in the note is also judgemental.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black-Scholes option pricing model.

For instruments issued with market-based conditions, alternative valuation methodologies would be adopted.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

z) New accounting standards for application in future periods

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 Group for the reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

NOTE 2: EXPENSES

	2020
	$
Loss before income tax includes the following specific expenses:	
Depreciation	
Property, plant and equipment	414
Right of use asset	7,722
	8,136
Superannuation	
Defined contribution superannuation expense	4,869

		2020 $
NOTE 3:	**INCOME TAX EXPENSE**	
a.	**Recognised in the income statement:**	
	Current tax	-
	Deferred tax	-
	Income tax as reported in the statement of comprehensive income	-
b.	**Reconciliation of income tax expense to prima facie tax payable:**	
	Loss from ordinary activities before income tax expense	(318,999)
	Prima facie tax benefit on loss from ordinary activities before income tax at 27.5%	(87,725)
	Add/(Deduct) tax effect of:	
	- Non-deductible expenses	2,089
	- Movement in deferred tax positions not recognised	(63,965)
	- Impact in reduction of future corporate tax rate	13,600
	- Revenue losses not recognised	136,001
	Income tax expense attributable to entity	-
	The following deferred tax balances have not been recognised:	
c.	**Deferred tax assets @ 25%**	
	Carried forward revenue losses	137,892
	Provisions and accruals	5,324
	Capital raising costs	89,572
		232,788
	Deferred tax liabilities @ 25%	
	Exploration, evaluation and development expenditure	39,222
	Other	1,858
		41,080

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2020 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the expenditure to be realised; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the expenditure.

d. Change in Corporate Tax Rate

There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

NOTE 4: LOSS PER SHARE

	2020
	Cents per share
Basic and diluted loss per share	(2.73)

The loss and weighted average number of ordinary shares used in this calculation of basic and diluted loss per share are as follows:

	$
Loss	(318,999)
	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	11,684,108

NOTE 5: CASH AND CASH EQUIVALENTS

	2020 $
Cash at bank	4,027,770
Term deposits	-
	4,027,770

NOTE 6: TRADE AND OTHER RECEIVABLES

	2020 $
Current	
GST receivable	32,865
Other receivables	-
	32,865

There is no allowance for expected credit losses recognised for the period ended 30 June 2020.

NOTE 7: EXPLORATION AND EVALUATION ASSETS

	2020 $
Balance at the beginning of the period	-
Acquisition of Chase Metals Pty Ltd[1]	1,232,096
Exploration expenditure incurred	156,891
Provision for impairment	**-**
Balance at the end of reporting year	**1,388,987**

[1] On 28 February 2020, Kaiser Reef Limited acquired 100% of the ordinary shares of Chase Metals Pty Ltd for the total consideration of $1,224,529. Goodwill of $1,232,096 was paid in regards to exploration and evaluation assets held by Chase Metals Pty Ltd. Refer to Note 24.

NOTE 8: PLANT & EQUIPMENT

	2020 $
Balance at the beginning of period	-
Addition: Computer Equipment	4,411
Accumulated depreciation	(414)
	3,997

NOTE 9: TRADE AND OTHER PAYABLES

	2020 $
Current	
Trade creditors	58,299
Accruals	35,278
Other payables	-
	93,578

Trade creditors are expected to be paid on 30-day terms.

NOTE 10: LEASES

	2020
	$
a) Right-of-use asset	
Balance at the beginning of the period	-
Additions	37,064
Depreciation	(7,722)
	29,342

	2020
b) Lease liabilities	
Office lease	29,814
Current	12,023
Non-Current	17,791
Total	29,814

The Group leases land and buildings for its office under an agreement of two years with, a one year option to extend. On renewal, the terms of the lease is renegotiated.

NOTE 11: PROVISIONS

	2020
	$
Current	
Employee Benefits	3,796

NOTE 12: ISSUED CAPITAL

	2020 No.	2020 $
Ordinary shares - fully paid	33,450,001	6,130,066
Less: capital raising costs	-	(635,110)
	33,450,001	**5,494,956**

Movement in ordinary shares:		
Balance at beginning of period	**-**	**-**
Issue of shares – 2 September 2019	1	1
Issue of shares – 15 September 2019	650,000	65
Private capital raising – 30 October 2019	4,150,000	415,000
Private capital raising – 12 November 2019	150,000	15,000
Initial public offer – 28 February 2020	22,500,000	4,500,000
Issue of shares to project vendors – 28 February 2020	6,000,000	1,200,000
Balance at 30 June 2020	**33,450,001**	**6,130,066**

Terms and conditions of issued capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

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

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Group's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

NOTE 13: SHARE BASED PAYMENT RESERVE

	2020 $
Opening balance	-
Value of options issued for the period	187,250
Closing balance	**187,250**

On 15 September 2019, the Company issued 4,250,000 options exercisable at $0.30 on or before 31 January 2023 (Tranche 1 options) and 4,500,000 options exercisable at $0.40 on or before 31 January 2024 (Tranche 2 options).

On 21 February 2020, a further 1,750,000 options exercisable at $0.30 on or before 21 February 2023 (Lead Manager options) were issued to the lead manager on the successful ASX listing of the Company. The fair value of the option issues have been determined with the use of a Black-Scholes option valuation model. The key inputs/assumptions to the models used are as follows:

Tranche 1 options:

Number of options	4,250,000
Expiry date	31 Jan 2023
Volatility	100%
Risk free rate	1.5%
Exercise price	$0.30
Grant date share price	$0.10
Deemed fair value	$NIL
Total fair value	$NIL

Tranche 2 options:

Number of options	4,500,000
Expiry date	31 Jan 2024
Volatility	100%
Risk free rate	1.5%
Exercise price	$0.40
Grant date share price	$0.10
Deemed fair value	$NIL
Total fair value	$NIL

Lead Manager options:

Number of options	1,750,000
Expiry date	21 Feb 2023
Volatility	100%
Risk free rate	0.6%
Exercise price	$0.30
Grant date share price	$0.20
Deemed fair value	$0.107
Total fair value	$187,250

NOTE 14: AUDITORS' REMUNERATION

	2020 $
Remuneration of the auditor of the Group for:	
Audit or review of the financial report	23,400
Non-audit services:	
Other services	-

NOTE 15: CASHFLOW INFORMATION

	2020 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax	
Loss after income tax	(318,999)
Non-cash adjustment	
Share Based Payments	-
Impairment	-
Loss on disposal	-
Depreciation	8,136
Changes in assets and liabilities;	
Trade and other receivables	(32,865)
Other assets	(7,434)
Trade payables and accruals	58,283
Provisions	3,796
Cashflow used in operating activities	**(289,083)**

NOTE 16: TRANSACTIONS WITH RELATED PARTIES

Key Management Personnel (KMP)

The total of remuneration paid or due to be paid to the KMP of the Company during the period are as follows:

	2020 $
Short-term employment benefits	90,237
Post-employment benefits	4,869
Share based payments	-
Total remuneration paid or due to be paid	95,106

Transactions with related parties

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

	2020 $
Mining Corporate Pty Ltd – related party to David Palumbo	
Transaction facilitation services, company secretarial, accounting and bookkeeping services during the period	63,240

Outstanding balances arising from transactions

	2020 $
Mining Corporate Pty Ltd – related party to David Palumbo	
Company secretarial, accounting and bookkeeping services during the period	13,493

Loan to Directors and their related parties

No loans have been made to any Director or any of their related parties during the period. There were no further transactions with Directors including their related parties other than those disclosed above.

NOTE 17: CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors there were no contingent assets or liabilities as at 30 June 2020.

NOTE 18: CAPITAL AND OTHER COMMITMENTS

In order to maintain the current rights to New South Wales exploration tenements, the Group is required to perform minimum exploration requirements specified by the Department of Mines and Petroleum:

	30 June 2020
Less than 12 months	180,000
Between 12 months and 5 years	125,000
5 years or more	-
Total	**305,000**

The Group has no other capital or expenditure commitments as at reporting date.

NOTE 19: OPERATING SEGMENTS

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group operates in one business segment being exploration for mineral resources. The Group operates in Australia. All segment assets, segment liabilities and segment results relate to one business segment and therefore no segment analysis has been prepared.

NOTE 20: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and lease liabilities.

The Board of Directors has overall responsibility for the oversight and management of the Group's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is 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.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

The Group does not have any collateral. Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. All of the Group's surplus funds are invested with AA Rated financial institutions.

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

Liquidity risk

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 responsibility with liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Group's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and receivables.

Financial liability and financial asset maturity analysis

2020	**Weighted Average Interest Rate**	**1 year or less $**	**Between 1 & 2 years $**	**Between 2 & 5 years $**	**Total $**
Non-Derivatives					
Financial Assets					
Cash and Cash Equivalents	0%	4,027,770	-	-	4,027,770
Trade and Other Receivables	-	32,865	-	-	32,865
Financial Liabilities					
Trade Payables	-	(93,578)	-	-	(93,578)
Lease Liabilities	6%	(12,023)	(17,791)	-	(29,814)
Net Financial Assets		3,955,034	(17,791)	-	3,937,243

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.

Interest rate risk

The Group manages interest rate risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Fair value of financial instruments

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

NOTE 21: INTEREST IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1:

Controlled entities	Country of incorporation	Percentage owned 30 June 2020
Chase Metals Pty Ltd[1]	Australia	100%

[1] Acquired on 28 February 2020

NOTE 22: PARENT ENTITY DISCLOSURES

Financial position	2020 $
Assets	
Current assets	4,059,783
Non-current assets	1,385,560
Total assets	5,445,343
Liabilities	
Current liabilities	59,538
Non-current liabilities	17,791
Total liabilities	77,329
Equity	
Issued capital	5,494,956
Accumulated losses	(314,192)
Reserves	187,250
Total equity	5,368,014
Financial performance	
(Loss) for the period	(314,192)
Total comprehensive (loss) for the period	(314,192)

Contingent Liabilities:

Kaiser Reef Limited had no contingent liabilities as at 30 June 2020.

Other Commitments and Contingencies:

Kaiser Reef Limited had no commitments or contingencies as at 30 June 2020.

NOTE 23: EVENTS AFTER REPORTING PERIOD

On 10 August 2020 the Company announced it had issued 250,000 incentive options exercisable at 40 cents with an expiry of 10 August 2022 to a technical consultant.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since the end of audited period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 24: ASSET ACQUISITION

On 28 February 2020, Kaiser Reef Limited acquired 100% of the ordinary shares of Chase Metals Pty Ltd for the total consideration of $1,224,529. This is an exploration company holding the exploration licenses EL 8491 & EL 8952. The values identified in relation to the acquisition of Chase Metals Pty Ltd are final as at 30 June 2020. Details of the acquisition are as follows:

Financial position as at 28 February 2020	**2020**
	$
Assets	
Current assets	-
Non-current assets	19,890
Total assets	19,890
Liabilities	
Current liabilities	10,039
Non-current liabilities	17,418
Total liabilities	27,457
Equity	
Accumulated losses	(7,567)
Total equity	(7,567)
Goodwill related to exploration and evaluation assets	1,232,096
Acquisition date fair value of the total consideration transferred	1,224,529
Representing:	
Cash paid to Vendor	24,529
Shares issued	1,200,000

Kaiser Reef Limited

ABN 38 635 910 271

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Kaiser Reef Limited, the directors of the Company declare that:

1. the financial statements, notes and the remuneration report in the Directors' Report are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Group as at 30 June 2020 and of its performance, for the period ended 30 June 2020; and

   (ii) complying with Australian Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001;

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 has been made after receiving the declarations required to be made by the directors in accordance with sections of 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Jonathan Downes
Executive Director

Perth, 28 September 2020

Advisory • Audit
Business Solutions

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAISER REEF LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Kaiser Reef Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2020, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

The financial report of Kaiser Reef Limited 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 2020 and its performance for the year ended on that date; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

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 (including Independence Standards) (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

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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. This matter was 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 this matter. For this matter, our description of how our audit addressed the matter is provided in that context.

Exploration and Evaluation Asset

Why significant	How our audit addressed the key audit matter
During the period ended 30 June 2020, Kaiser Reef Limited acquired 100% interest in Chase Metals Pty Ltd. As disclosed in Note 7, as a result of the acquisition the Group recognised $1,232,097 as Exploration and Evaluation Assets in the consolidated statement of financial position as at 30 June 2020. The total exploration and evaluation asset is significant because it represents 25% of total assets and it requires judgement in relation to the carrying value.	Our work included, but was not limited to, the following procedures: • Obtaining a detailed understanding of the acquired asset; • Obtaining the signed contractual agreements relating to the acquisition of Chase Metals Pty Ltd; • Assessing the fair value of the assets and liabilities acquired; • Assessing the fair value of the consideration paid (cash and shares issued); • Reviewing the calculation of Exploration and Evaluation Assets; and • In addition, we assessed the appropriateness of the disclosures in relation to the net assets acquired and the exploration and evaluation assets included in Note 1d, 7 and 24.

Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report, Schedule of Exploration Tenements and Shareholder Information.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 group financial report. We are responsible for the direction, supervision and performance of the group 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, actions taken to eliminate threats or safeguards applied.

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

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Kaiser Reef Limited for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

28 SEPTEMBER 2020
WEST PERTH
WESTERN AUSTRALIA

ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES

Schedule of Tenements

Project	Tenement Number	Location of Tenement	Status	Beneficial Interest
Stuart Town	EL8491	New South Wales	Granted	100%
	EL8592	New South Wales	Granted	100%

ASX Share Information

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 21 September 2020.

1. **Shareholding**

a. **Distribution of Shareholders**

(i) *Ordinary share capital*
- 33,450,001 fully paid shares held by 776 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

	Class of Equity Security	
Category (size of holding)	**Number of Holders**	**Fully Paid Ordinary Shares**
1 - 1,000	11	1,448
1,001 – 5,000	212	601,139
5,001 – 10,000	167	1,405,469
10,001 – 100,000	322	11,944,220
100,001 – and over	64	19,497,725
	776	**33,450,001**

b. The number of shareholdings held in less than marketable parcels is 12.

c. The Company had the following substantial shareholders at the date of this report.

Fully Paid Ordinary Shares

Holder	**Number**	**%**
Jonathan Downes	3,185,000	9.52
Adrian Byass	3,000,000	8.97

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.

e. **20 Largest holders of quoted equity securities (fully paid ordinary shares)**

	Name	Number Held	Percentage %
1.	KIANDRA NOMINEES PTY LTD <JK DOWNES FAMILY A/C>	3,000,000	8.97%
2.	VALIANT EQUITY MANAGEMENT PTY LTD <BYASS FAMILY A/C>	3,000,000	8.97%
3.	TORONGA PTY LTD	1,350,000	4.04%
4.	MR PHILIP JOHN CAWOOD	600,000	1.79%
5.	BILKA TWO PTY LTD	450,000	1.35%
6.	MR STEPHEN KAM LO TONG & MRS PATSY LIN HAP TONG <BIALLA SUPER FUND A/C>	400,000	1.20%
7.	A22 PTY LIMITED	400,000	1.20%
8.	MAJI MAZURI PTY LTD & MAWINGO PTY LTD	380,000	1.14%
9.	MR NICHOLAS MCMAHON <MCMAHON FAMILY A/C>	350,000	1.05%
10.	MR ANDREW JAMES KELLY	350,000	1.05%
11.	MR GLEN PAUL VANDENHOEK	349,536	1.05%
12.	MR MARK FREDERICK HARRIS & MRS AMANDA JANE HARRIS <HARRIS FAM FUTURE FUND A/C>	324,796	0.97%
13.	CANGU PTY LTD <CANGU FAMILY A/C>	300,000	0.90%
14.	MR PETER KALKANDIS	285,000	0.85%
15.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	283,000	0.85%
16.	MR KAIWEN SONG	250,000	0.75%
17.	MENDELIAN ENTERPRISES PTY LTD <DOWNES GRIGSON FAMILY S A/C>	235,000	0.70%
18.	KHEIR GROUP PTY LTD	233,642	0.70%
19.	MRS DIANNE SNOUNOU	220,000	0.66%
20.	CAMBOURNE CAPITAL PTY LTD <SANWAR SUPER FUND A/C>	217,500	0.65%
	Total	**12,978,474**	**38.80%**
	Total issued capital – ordinary shares	**33,450,001**	**100.00%**

2. The Name of the Company Secretary is Mr David Palumbo.

3. The address of the registered office is Level 11, 216 St Georges Terrace, Perth WA 6000. The address of the principal place of business is Unit 3, Churchill Court, 335 Hay Street Subiaco WA 6008. Telephone (08) 9481 0389.

4. Registers of securities are held at the following address:

Automic Group
Level 2, 267 St Georges Terrace
Perth WA 6000

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

6. **Restricted Securities**

The Company has the following restricted securities on issue as at the date of this report

- 6,650,000 fully paid ordinary shares – escrowed to 28 February 2022
- 2,075,000 fully paid ordinary shares – escrowed to 30 October 2020
- 75,000 fully paid ordinary shares – escrowed to 12 November 2020

7. **Unquoted Securities**

The Company has the following unquoted securities on issue as at the date of this report:

- 4,250,000 options exercisable at $0.30 on or before 31 January 2023
- 4,500,000 options exercisable at $0.40 on or before 31 January 2024
- 1,750,000 options exercisable at $0.30 on or before 21 February 2023
- 250,000 options exercisable at $0.40 on or before 10 August 2022

8. **Use of Funds**

Between the date of listing on ASX and the date of this report the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the pursuant to the Prospectus dated 5 December 2019.