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RIEDEL

R E S O U R C E S

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

ANNUAL REPORT FOR THE YEAR ENDED
30 JUNE 2021

CORPORATE DIRECTORY

Non-Executive Chairperson

Michael Bohm

Non-Executive Directors

Grant Mooney

Scott Cuomo

Jason Pater

Company Secretary

Susan Field

Principal and Registered Office

Suite 4, 6 Richardson Street

West Perth WA 6005

Telephone: +61 8 9226 0085

Auditors

PKF Perth

Level 4, 35 Havelock Street

West Perth WA 6005

Share Registry

Computershare Investor Service Pty Ltd

Level 11, 172 St Georges Terrace

Perth WA 6000

Bankers

Australia and New Zealand Banking Group Limited

77 St Georges Terrace

Perth WA 6000

Solicitors

HWL Ebsworth Lawyers

Level 20/240 St Georges Terrace

Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange

ASX Code: RIE

Website Address

www.riedelresources.com.au

CONTENTS

| | |
|--|----|
| DIRECTORS' REPORT | 1 |
| AUDITOR'S INDEPENDENCE DECLARATION | 21 |
| CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME..... | 22 |
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 23 |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY..... | 24 |
| CONSOLIDATED STATEMENT OF CASH FLOWS..... | 25 |
| NOTES TO AND FORMING PART OF THE ACCOUNTS..... | 26 |
| DIRECTORS' DECLARATION | 56 |
| INDEPENDENT AUDITOR'S REPORT | 57 |
| SHAREHOLDER INFORMATION | 63 |
| SCHEDULE OF MINING TENEMENTS | 66 |

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DIRECTORS' REPORT

The Directors of Riedel Resources Limited submit herewith the consolidated financial statements of the Company and its controlled entities ("Riedel"), ("Group") or ("Consolidated Entity") for the year ended 30 June 2021 in order to comply with the provisions of the Corporations Act 2001.

1. Directors

The following persons were Directors of Riedel Resources Limited during the whole of the financial year and up to the date of the report unless otherwise stated:

| | |
|-------------------------|--|
| Mr Michael Bohm | Non-Executive Chairperson (appointed 11 December 2020) |
| Mr Grant Mooney | Non-Executive Director (previously Executive Chairperson, appointed 31 October 2018) |
| Mr Scott Cuomo | Non-Executive Director |
| Mr Jason Pater | Non-Executive Director (appointed 1 February 2021) |
| Mr Alexander Sutherland | Non-Executive Director (resigned 11 December 2020) |

2. Principal Activities

The principal activity of the Group during the year was mineral exploration.

3. Operating Results

The net loss of the Group for the financial period after providing for income tax amounted to \$3,464,342 (2020: \$1,133,986).

4. Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend up to the date of this report.

5. Financial Position

The entity has \$2,723,188 in cash and cash equivalents as at 30 June 2021 (30 June 2020: \$885,629)

On 23 October 2020 Riedel entered into a binding agreement with Flagstaff Minerals Limited ("Flagstaff") to acquire up to 80% equity interest in Flagstaff Minerals (USA) Inc ('Flagstaff USA') (a wholly owned subsidiary of Flagstaff Minerals) by meeting three earn in stages ('Term Sheet'), or ('Transaction'). As the transaction represented a change of scale of activities under the ASX Listing Rules shareholder approval was required and subsequently obtained on 30 November 2020. On 11 December 2020 Riedel announced to the ASX that the Transaction had been completed.

DIRECTORS' REPORT

5. Financial Position (continued)

Transaction summary

The key terms of the Transaction are as follows:

Background

Flagstaff USA has the sole and exclusive right to acquire a 100% interest in 70 mining claims (which form part of the Kingman Project) (Kingman Option Claims) via a binding option agreement with IAM Mining LLC (a Limited Liability Company) (IAM Mining) (Flagstaff Option Agreement).

The Terms Sheet sets out the terms and conditions on which Riedel may acquire up to an 80% equity interest in Flagstaff USA (Earn-In or Acquisition).

Initial Exploration Expenditure – Stage 1 (“Stage 1”)

Within 5 business days of the parties entering into the Terms Sheet, Riedel will pay an AUD\$50,000 non-refundable deposit to Flagstaff USA which will be applied by Flagstaff USA towards project related expenditure and be offset against Riedel’s Stage 1 Earn-In commitment (defined below).

Riedel shall issue Flagstaff Minerals (or its nominee) 60 millions fully paid ordinary shares upon satisfaction of the condition – shares will be subject to voluntary escrow for 6 months from the date of issue.

Riedel must expend at least AUD\$1,500,000 on the Kingman Project within 12-months from the Stage 1 Commencement Date being 11 December 2020.

Riedel must expend a total of AUD\$5,000,000 on the Kingman Project within 3 years from the Stage 1 Commencement Date, being 11 December 2023 to obtain a 51% equity interest in Flagstaff USA (Stage 1 Earn-In).

If Riedel withdraws before completing the Stage 1 Earn-In, subject to Riedel incurring at least AUD\$1,500,000 of expenditure on the Kingman Project within 12-months from the Stage 1 Commencement Date, Riedel shall obtain a 15% equity interest in Flagstaff USA.

Earn-In – Stage 2 (“Stage 2”)

Upon Riedel completing the Stage 1 Earn-In (Stage 2 Commencement Date), Riedel will issue 100,000,000 Shares to Flagstaff Minerals (or its nominee(s)) (Stage 2 Shares). If Riedel does not obtain the necessary regulatory and shareholder approvals for the issuance of these shares, Riedel will pay Flagstaff the equivalent amount in cash (based on a 30-day VWAP as at the date of issue).

Riedel may elect to proceed with the Stage 2 earn-in at its complete discretion by providing Flagstaff Minerals with written notice of its election (Election Notice) within 90 days from the Stage 2 Commencement Date (Notice Date).

If Riedel provides an Election Notice by the Notice Date, Riedel must expend a further AUD\$5,000,000 on the Kingman Project (Stage 2 Expenditure Condition) within 3 years from the Stage 2 Commencement Date in

DIRECTORS' REPORT

5. Financial Position (continued)

order to earn a further 19% equity interest in Flagstaff USA (i.e. Riedel will obtain a 70% equity interest) (Stage 2 Earn-In).

If Riedel does not give an Election Notice by the Notice Date or does not satisfy the Stage 2 Expenditure Condition, then Flagstaff Minerals and Riedel will contribute to expenditure on the project from the Notice Date in the following ratios

- (i) Flagstaff Minerals: 49%; and
- (ii) Riedel: 51%),

or dilute their equity interest in Flagstaff in accordance with a standard mineral mining industry formula.

Stage 3 ("Stage 3")

Within 30 days of satisfying the Stage 2 Expenditure Condition, Riedel may acquire an additional 10% equity interest in Flagstaff USA (i.e. Riedel will obtain an 80% equity interest in Flagstaff USA in total) by payment to Flagstaff Minerals (or its nominee(s)) of AUD\$3,000,000 cash.

Joint Venture

Following completion of the relevant earn-in phase, Flagstaff Minerals and Riedel will contribute to expenditure on the Kingman Project in proportion to each party's respective equity interest in Flagstaff USA from time to time.

Vendor Payments

Pursuant to the Flagstaff Option Agreement, the following payments are required to be made to IAM Mining by Flagstaff USA in order for Flagstaff USA to maintain its right to acquire 100% of the Kingman Option Claims (together, the Option Payments):

1. USD 200,000 payable by February 2021 (paid);
2. USD 300,000 payable by February 2022; and
3. USD 400,000 payable by February 2023.

Under the terms sheet, Riedel shall be responsible for the Option Payments (which shall count towards eligible expenditure in relation to any stage of the relevant earn-in).

In summary, at 30 June 2021 the Group has met the following requirements in relation to Stage 1.

- Paid the \$50,000 non-refundable deposit on 23 October 2021;
- Issued 60,000,000 Stage 1 ordinary shares to Flagstaff Minerals Limited; and
- At 30 June 2021 had spent \$1,476,956 representing 98% of the minimum spend by 11 December 2021.

Refer additional detail at note 8.

Under the agreement Flagstaff Minerals Limited has the right to appoint two nominees to the Board.

6. Business Strategies and Prospects for the Forthcoming Year

Once the next phase of drilling has been completed, the results will be analysed and a decision on further works will be undertaken.

DIRECTORS' REPORT

6. Business Strategies and Prospects for the Forthcoming Year (continued)

Material business risks that may impact the results of future operations include further exploration results, future commodity prices and on-going funding as agreed to between Riedel and the Group.

7. Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the entity occurred during the financial year:

- On 11 December 2020, a placement to sophisticated investors to fund the Stage 1 exploration program at Kingman was completed raising \$2,000,000 through the issue of 363,636,363 shares at an issue price of \$0.0055. At the same time 60,000,000 Stage 1 shares were issued in accordance with the Term Sheet.
- On 14 December 2020, 150,000,000 unlisted options were issued for services provided by directors and advisors that were approved by shareholders at the Annual General Meeting held on 30 November 2020.
- On 10 June 2021, a placement to sophisticated investors was completed raising \$1,815,000 through the issue of 121,000,000 shares at an issue price of \$0.015.
- On 15 June 2021, a minor placement under cleansing Prospectus was completed raising \$15 through the issue of 1,000 shares at an issue price of \$0.015.

8. Post Balance Date Events

There have not been any events that have arisen between 30 June 2021 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

9. Review of Operations

Exploration

Kingman Gold Project (Arizona)

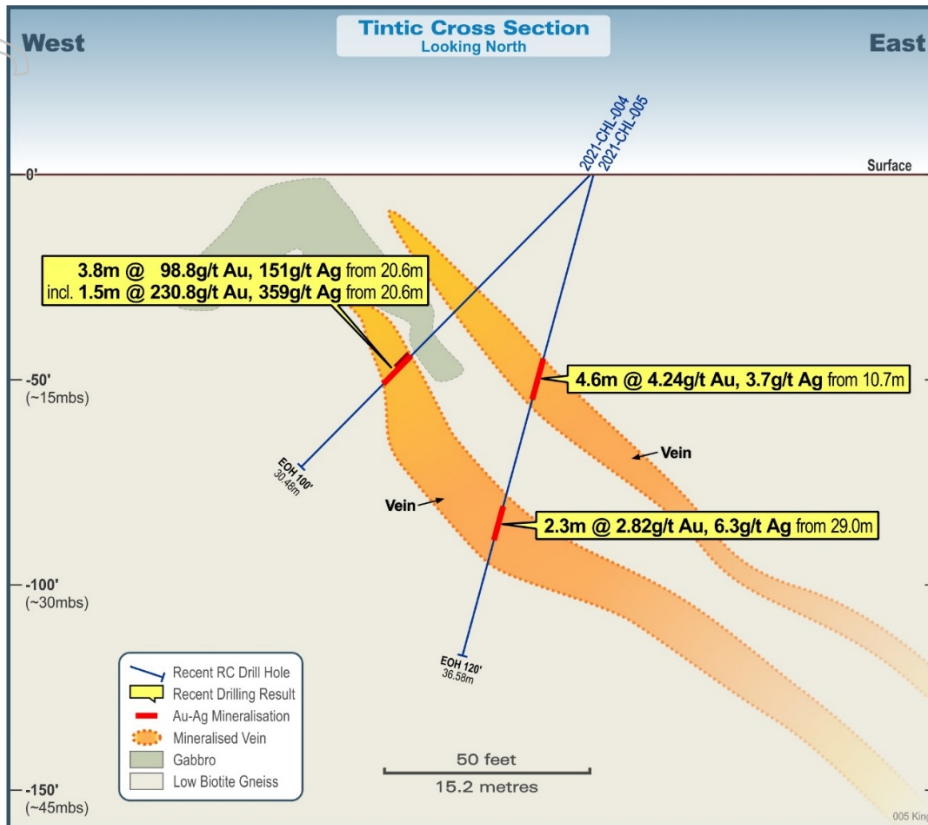
In late 2020, Riedel entered into an Agreement to acquire up to an 80% interest Flagstaff Minerals (US) Inc. which owns the rights to the poly metallic project in Arizona, known as the Kingman Gold Silver Project, located in the north-west of Arizona, approximately 145 kilometres from Las Vegas and within 5km of US Highway 93.

Commencing in January 2021, Riedel undertook a 5,230m RC drill program targeting areas of historic gold and silver mineralisation where high grades were mined in the late 1800s and early 1900s and where diamond drilling in late 2019 intersected multiple high-grade veins (refer ASX announcement dated 23 October 2020¹). Drilling results returned numerous significant gold and silver intersections including:

- **3.8m @ 98.8 g/t gold & 151 g/t silver** from 20.6m (hole 2021-CHL-004)
- **1.5m @ 15.56 g/t gold & 29.3 g/t silver** from 28.2m (2021-CHL-002)
- **4.6m @ 4.44 g/t gold & 7.8 g/t silver** from 18.3m (2021-CHL-003)
- **4.6m @ 4.24 g/t gold** from 10.7m (2021-CHL-005)
- **2.3m @ 2.82 g/t** from 29m (2021-CHL-005)
- **1.5m @ 11.46 g/t gold & 35 g/t silver** from 20.6m (2021-CHL-009)
- **1.5m @ 571 g/t silver** from 33.5m (2021-CHL-010)
- **1.5m @ 39.3 g/t gold & 323 g/t silver** from 37.3m (2021-CHL-011)
- **18.3m @ 2.22 g/t gold and 11 g/t silver** from 100.6m (2021-CHL-030)

DIRECTORS' REPORT

9 Review of Operations (continued)



Tintic Cross Section

The drilling program was successfully completed in April 2021 on time and on budget. A follow up RC drill program commenced in late September 2021, targeting the Tintic area where high grades were confirmed from the earlier drilling.

Marymia East Gold & Base Metals Project (Western Australia)

The Company held a 16% interest (diluting) in the Marymia East Project as at 30 June 2021.

Joint venture manager Norwest Minerals Limited (84%) advised that aircore drilling was completed during the June quarter at the Marymia East project area. Marymia East is located 8km south of Norwest's Bulgera Project. The 6,000-metre drilling programme targeted several areas including ground immediately northeast of the Ned's Creek Gold project. At Ned's Creek, a number of high grade gold prospects have been identified along the 'Contessa Granite Contact' by the Lodestar Minerals-Vango Mining joint venture group. Norwest's aircore drilling programme was designed to identify the northeast extension of the Contessa granite contact and ensure the thick overlying transported cover is penetrated to sample for gold mineralisation from the underlying bedrock.

Further to the northeast the Area 2 gold anomaly defined by five 50m to 100m spaced drill lines, all of which host low level (+1g/t) gold mineralisation and includes hole NKRC025 which returned 4m @ 2.9g/t gold from 94m. Norwest has completed a number of aircore holes to infill and better define this gold anomaly (ASX: 3/08/21²).

DIRECTORS' REPORT

9 Review of Operations (continued)

The second base metal drill target tested by aircore was a near surface nickel/chromium anomaly initially identified by eight RAB holes drilled in 1993 and followed up with just two RC holes as part of a regional RC drilling programme undertaken in early 2018 by Australian Mines Limited. Intersections from the early RAB drilling included 20m @ 0.6% Ni from 12 metres depth in hole K5-7 and 13m @ 0.7% Ni from 13m depth in hole K5-8 (ASX: 1/04/21²).

Corporate

Riedel raised \$2 million at an issue price of \$0.0055 per share in December 2020 and \$1.815 million at \$0.015 per share in June 2021. The funds raised were predominantly used to undertake a +5,000 metre drill program at the Kingman Gold Project in Arizona during the period January to April 2021 and for a follow up drill program commencing in September 2021.

The Company received a VAT Refund totalling \$219,000 from the Spanish Taxation Authorities. This amount was carried as a receivable in the Company's 2020 Annual Financial Report.

Mr Michael Bohm joined the Board of Riedel as Chair in December 2020. Mr Bohm is a graduate of the WA School of Mines and brings to the Board extensive experience as a mining professional in the minerals industry. Michael is currently a director of Ramelius Resources Limited (ASX:RMS), Mincor Resources NL (ASX:MCR) and is Chair of Cygnus Gold Limited (ASX:CY5). Mr Jason Pater joined the Board as a non-executive director in February 2021. Jason is US-based and has more than 20 years of board experience in corporate and non-profit organisations. Jason serves as the President of Westwater Group, a Michigan-based investment company, and as Vice-President of Facilities and Construction of National Heritage Academies, one of the leading educational service providers in the United States.

In December 2020, Alexander (Sandy) Sutherland retired from the Board.

10. Likely Developments and Expected Results of Operations

Once drilling has been completed in the first half of 2022 financial period the results will be analysed and a decision on further works will be undertaken.

11. Environmental Regulation

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

The Flagstaff operations are regulated by the laws of Arizona.

DIRECTORS' REPORT

12. Information on Directors, Officers and Company Secretary

Michael Bohm

Qualifications

Non-Executive Chairperson (Appointed 11 December 2020)

B.AppSc (Mining Eng.), MAusIMM and MAICD

Experience

Mr Bohm is a qualified mining professional with significant corporate and operations experience. He has had extensive minerals industry experience in Australia, South East Asia, Africa, Chile, Canada and Europe. A graduate of WA School of Mines, Mr Bohm has worked as a mining engineer, mine manager, study manager, project manager, project director and managing director and has been directly involved in a number of new mine developments.

Mr Bohm currently serves as a Director of a number of ASX-listed companies and sits on their Audit & Risk Committees and Chairs their Remuneration Committees. Prior to this, he has held a number of directorships including those with Perseus Mining Limited, Argyle Diamonds Mines, Sally Malay Mining Limited and Ashton Mining of Canada.

Directorships of other listed companies

Mincor Resources Limited
 Ramelius Resources Limited
 Cygnus Gold Limited

Interest in Shares

82,000,000 Fully Paid Ordinary Shares

The above holding includes an indirect holding of 60,000,000 shares which are held by Flagstaff Minerals Limited of which Mr Bohm is a director and his spouse holds a 22% interest in Flagstaff Minerals Limited.

Interest in Options

70,000,000 Unlisted Options expiring 14 December 2023, Exercise Price \$0.0125

The above holding includes an indirect holding of 60,000,000 options which are held by Flagstaff Minerals Limited of which Mr Bohm is a director and his spouse holds a 22% interest in Flagstaff Minerals Limited.

Scott Cuomo

Experience

Non-executive Director

Mr Cuomo is an experienced non-executive director and a successful businessman. His career spans over 25 years and is a Director with Oracle Capital, a boutique Corporate Advisory firm that undertakes assignments on behalf of family offices, private clients, and ASX listed companies.

He offers valuable experience in strategic planning, risk management and the structuring of corporate transactions.

Directorships of other listed companies

Nil

Interest in Shares

5,636,364

Interest in Options

5,000,000 Unlisted Options expiring 23 November 2021, Exercise Price \$0.11

20,000,000 Unlisted Options expiring 14 December 2023, Exercise Price \$0.0125

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DIRECTORS' REPORT

12. Information on Directors, Officers and Company Secretary (continued)

| | | |
|--|--|--|
| Grant Mooney | Non-Executive Director | (appointed 31 October 2018, previously Non-Executive Chairperson until 11 December 2020) |
| Qualifications | B.Bus, CA | |
| Experience | <p>Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.</p> <p>Currently, Mr Mooney serves as a Director to several ASX listed companies across a variety of industries including technology and resources. He is a Director of Gibb River Diamonds Limited, appointed 14 October 2008, Barra Resources Limited, appointed 29 November 2002, Accelerate Resources Limited, appointed 1 July 2017, Talga Group Limited, appointed 20 February 2014, Carnegie Clean Energy Limited, appointed 19 February 2008, Aurora Labs Limited and appointed 25 March 2020 and SRJ Technologies Limited appointed 2 June 2020. He was formerly a director of Barra Resources Limited (appointed 29 November 2002- resigned 18 August 2021).</p> <p>Mr Mooney is a member of Chartered Accountants Australia & New Zealand.</p> | |
| Directorships of listed companies | other | Carnegie Clean Energy Limited Gibb River Diamonds Limited Accelerate Resources Limited Talga Group Limited Aurora Labs Limited SRJ Technologies Limited |
| Interest in Shares | 5,074,790 Fully Paid Ordinary Shares | |
| Interest in Options | 25,000,000 Unlisted Options expiring 14 December 2023, Exercise Price \$0.0125 | |

DIRECTORS' REPORT

12. Information on Directors, Officers and Company Secretary (continued)

Jason Pater

Non-executive Director

(Appointed 1 February 2021)

Experience

Jason Pater is a business executive with more than 20 years of board experience in corporate and non-profit organisations. Jason serves as the President of Westwater Group, a Michigan-based investment company, and as Vice-President of Facilities and Construction of National Heritage Academies, one of the leading educational service providers in the United States.

Previously, he was the President of PrepNet, which manages a network of college preparatory high schools. The company was recognized as one of the Top 500 fastest-growing, privately held companies in the USA by Inc. magazine in 2013.

Jason obtained undergraduate degrees in Business and Spanish from Hope College, and later earned a Master of Business Administration from Michigan State University. He is on the Board of Directors of National Heritage Academies, and Southern Cross Capital Pty Ltd, an Australia-based investment company. In addition, he is a Manager of Osgood Mountains Gold, LLC, which is a privately held company undertaking active gold exploration in northern Nevada.

Directorships of other listed companies

Nil

Interest in Shares

56,242,424 Fully Paid Ordinary Shares

The above holding is an indirect holding and is held in the name of Southern Cross Capital Pty Ltd, a company of which Mr Pater is a director

Interest in Options

Nil

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DIRECTORS' REPORT

13. Audited Remuneration Report

The Directors are pleased to present your Company's 2021 remuneration report which sets out remuneration information for Riedel Resources Limited's non-executive directors, executive directors and other key management personnel.

The remuneration report is set out under the following headings:

- A. Directors and key management personnel disclosed in this report;
- B. Remuneration governance;
- C. Use of remuneration consultants;
- D. Non-Executive remuneration policy and framework;
- E. Voting and comments made at the Company's 2020 Annual General Meeting;
- F. Details of remuneration;
- G. Details of share based compensation and bonuses;
- H. Service agreements;
- I. Equity instruments held by key management personnel;
- J. Loans to key management personnel;
- K. Other transaction with key management personnel.

A. Directors and key management personnel disclosed in this report

This report details the nature and amount of remuneration for all key management personnel of Riedel Resources Limited and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the Corporations Act 2001. The Individuals included in this report are:

Non-Executive Directors

| | |
|-----------------|---|
| Mr M Bohm | Non-Executive Chairperson (appointed 11 December 2020) |
| Mr G Mooney | Non-Executive Director (appointed 31 October 2018, previously Non-Executive Chairperson, stepping down on 11 December 2020) |
| Mr S Cuomo | Non-Executive Director (appointed 26 July 2017) |
| Mr J Pater | Non-Executive Director (appointed 1 February 2021) |
| Mr A Sutherland | Non-Executive Director (resigned 11 December 2020) |

Other Key Management Personnel

| | |
|-------------|--|
| Mr G Mooney | Company Secretary (appointed 2 December 2019, resigned 30 June 2021) |
|-------------|--|

B. Remuneration governance

Remuneration Philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

DIRECTORS' REPORT

13 Audited Remuneration Report (continued)

B. Remuneration governance; (continued)

Remuneration Committee

The Remuneration Committee, the role and duties of which are undertaken by the Board, establishes human resources and compensation policies and practices for the Directors (executive and non-executive) and senior executives, including retirement termination policies and practices, Company share schemes and other incentive schemes, Company superannuation arrangements and remuneration arrangements.

C. Use of remuneration consultants

The Company has not engaged or contracted remuneration consultants during the financial year.

D. Non-Executive remuneration policy and framework

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the Group.

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

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives (if any), was developed by the Board. All executives are to receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages as required by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Directors and executives are also entitled to participate in the Employee Incentive Option Scheme and Performance Rights Plan. The executive directors and executives receive a superannuation guarantee contribution required by the government, which was 9.5% for the year ended 30 June 2021, and do not receive any other retirement benefits. Note that effective 1 July 2021 the super guarantee rate has risen to 10.0% and will be effective from the 2022 financial year. All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes or Binomial Option Pricing models.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice

DIRECTORS' REPORT

13 Audited Remuneration Report (continued)

D. Non-Executive remuneration policy and framework (continued)

is sought when required. The maximum aggregate fees that can be paid to non-executive directors is \$250,000 per annum. Amendments to this amount are subject to approval by shareholders at the Annual General Meeting.

Fees for non-executive directors will not be linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the Employee Incentive Option Scheme.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Directors' fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Bonuses

No bonuses were given to key management personnel during the 2020 and 2021 years.

Performance based remuneration

The Company currently offers eligible Directors and Key Executives participation in the Company Performance Rights Plan and/or Incentive Option Scheme. This is in addition to cash remuneration

Company performance, shareholder wealth and director's and executive's remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options or Performance Rights to eligible directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options and performance rights at year end, refer below for details.

All directors are entitled to participate in the Performance Rights Plan and/or Incentive Option Scheme.

E. Voting and comments made at the Company's 2020 Annual General Meeting

The Company received 99.39% of "Yes" votes on its remuneration report for the 2020 financial year (2019: 99.95%). The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT

13 Audited Remuneration Report (continued)

F. Details of remuneration

The Key Management Personnel of Riedel Resources Limited for the year ending 30 June 2021 are set out in the table below. There have been no changes to the below named key management personnel since the end of the reporting period unless noted.

| | Short Term Benefits | | | | Post Employment | Securities | Total |
|---------------------------|---------------------|-------------------|-----------------|---------------|-----------------|----------------|------------------|
| | Cash Salary & Fees | Incentives & (iv) | Consulting Fees | Other Amounts | Super-annuation | Options | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 2021 | | | | | | | |
| Mr M Bohm (i) | 27,823 | - | 61,000 | 2,102 | 2,643 | - | 93,568 |
| Mr G Mooney | 35,833 | 20,000 | 42,000 | 3,696 | 5,304 | 462,500 | 569,333 |
| Mr S Cuomo | 35,833 | 20,000 | - | 3,696 | 5,304 | 370,000 | 434,833 |
| Mr J Pater (ii) | 13,178 | - | - | 1,596 | - | - | 14,774 |
| Mr A Sutherland (iii) | 15,000 | 20,000 | - | 3,201 | - | - | 38,201 |
| Total Remuneration | 127,667 | 60,000 | 103,000 | 14,291 | 13,251 | 832,500 | 1,150,709 |

(i) Mr M Bohm was appointed as Non-Executive Chairperson on 11 December 2020

(ii) Mr J Pater was appointed as Non-Executive Director on 1 February 2021

(iii) Mr A Sutherland resigned as Non-Executive Director on 11 December 2020

(iv) On 1 October 2019, the Board approved in advance the payment of \$20,000 for consultancy services associated and conditional upon with the acquisition of a new project. Following the completion of the transaction with Flagstaff Minerals Limited approved by shareholders on 30 November 2020, this payment was made.

| | Short Term Benefits | | | | Post Employment | Securities | Total |
|---------------------------|---------------------|--------------|-----------------|---------------|-----------------|------------|----------------|
| | Cash Salary & Fees | Incentives & | Consulting Fees | Other Amounts | Super-annuation | Options | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 2020 | | | | | | | |
| Mr G Mooney | 30,000 | - | 21,000 | - | 2,850 | - | 53,850 |
| Mr S Cuomo | 30,000 | - | - | - | 2,850 | - | 32,850 |
| Mr A Sutherland | 30,000 | - | - | - | - | - | 30,000 |
| Total Remuneration | 90,000 | - | 21,000 | - | 5,700 | - | 116,700 |

DIRECTORS' REPORT

13 Audited Remuneration Report (continued)

G Details of share based compensation and bonuses;

Options are issued to directors and executives as part of their remuneration. The options are not always issued based on performance criteria and in the instances, they are not, they are issued to the majority of directors and executives of Riedel Resources Limited to increase goal congruence between executives, directors and shareholders.

During the year a total of 150,000,000 options were issued to directors and vendors which were approved by shareholders at the Annual General Meeting of shareholders held on 30 November, included in these approvals is 45,000,000 options issued to directors as set out in the following table. The Options issued were issued for no consideration and have an exercise price of \$0.0125 with an expiry date of 14 December 2023

| | Granted | Fair Value at Date | Value Grant | Total Remuneration Represented by Options | Exercised | Other Changed | Lapsed |
|------------------------------|------------|--------------------|-------------|---|-----------|---------------|--------|
| 2021 | Number | \$ | | % | Number | Number | Number |
| Mr M Bohm ¹ | - | - | - | - | - | - | - |
| Mr G Mooney | 25,000,000 | 462,500 | 82.10 | - | - | - | - |
| Mr S Cuomo | 20,000,000 | 370,000 | 85.09 | - | - | - | - |
| Mr J Pater ² | - | - | - | - | - | - | - |
| Mr A Sutherland ³ | - | - | - | - | - | - | - |

¹ Mr Bohm was appointed as Non-Executive Chairperson on 11 December 2020.

² Mr Pater was appointed as Non-Executive Director on 1 February 2021.

³ Mr Sutherland resigned as Non-Executive Director on 11 December 2020.

2020

There were no options issued during the 2020 financial year.

H. Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|---------------------|---|
| Name | Michael Bohm (appointed 11 December 2020) |
| Title | Non-Executive Chairperson |
| Agreement commenced | 11 December 2021 |
| Term of agreement | Initial 3 years (subject to re-election every 3 years from 11 December 2020) |
| Details | Director's fees of \$50,000 per annum plus superannuation |

DIRECTORS' REPORT

13 Audited Remuneration Report (continued)

H. Service agreements (continued)

| | |
|---------------------|---|
| Name | Grant Mooney (appointed 31 October 2018) |
| Title | Non-Executive Director, formerly Non-Executive Chairperson, stepping down from this role effective 11 December 2020 |
| Agreement commenced | 31 October 2018 |
| Term of agreement | <ul style="list-style-type: none"> • Initial 3 years (subject to re-election every 3 years from 31 October 2018) |
| Details | <ul style="list-style-type: none"> • From 31 October 2018 Director's fees of \$30,000 per annum plus superannuation • From 1 December 2020 Director's fees increased to \$40,000 per annum plus superannuation |
| | |
| Name | Scott Cuomo (appointed 26 July 2017) |
| Title | Non-Executive Director |
| Agreement commenced | 26 July 2017 |
| Term of agreement | <ul style="list-style-type: none"> • Initial 3 years, renewed for a further 3 years from 26 July 2020 (subject to re-election every 3 years from 26 July 2017) |
| Details | <ul style="list-style-type: none"> • From 26 July 2017 Director's fees of \$30,000 per annum plus superannuation • From 1 December 2020 Director's fees increased to \$40,000 per annum plus superannuation |
| | |
| Name | Jason Pater (appointed 1 February 2021) |
| Title | Non-Executive Director |
| Agreement commenced | 1 February 2021 (subject to re-election every 3 years from 1 February 2021) |
| Term of agreement | <ul style="list-style-type: none"> • Initial 3 years |
| Details | <ul style="list-style-type: none"> • From 1 February 2021 Director's fees of \$40,000 per annum plus superannuation (if applicable) |
| | |
| Name | Alexander Sutherland (appointed 26 July 2017 and resigned 11 December 2020) |
| Title | Non-Executive Director |
| Agreement commenced | 26 July 2017 |
| Term of agreement | <ul style="list-style-type: none"> • Initial 3 years, renewed for a further 3 years from 26 July 2020 (subject to re-election every 3 years from 26 July 2017) |
| Details | <ul style="list-style-type: none"> • Mr Sutherland resigned from the position effective 11 December 2020. • From 26 July 2017 Director's fees of \$30,000 per annum plus superannuation • From 1 December 2020 Director's fees increased to \$40,000 per annum plus superannuation |

DIRECTORS' REPORT

13 Audited Remuneration Report (continued)

I. Equity instruments held by key management personnel

| Ordinary Shares | Balance at the start of the year / on appointment | Received on exercise of options | Other changes | Balance at the end of the year |
|------------------------------|---|---------------------------------|------------------|--------------------------------|
| 2021 | Number | Number | Number | Number |
| Mr M Bohm ^{1,4} | 80,000,000 | - | - | 80,000,000 |
| Mr G Mooney | 1,438,427 | - | 3,636,363 | 5,074,790 |
| Mr S Cuomo | - | - | 3,636,364 | 3,636,364 |
| Mr J Pater ^{2,5} | - | - | 56,242,424 | 56,242,424 |
| Mr A Sutherland ³ | 1,959,596 | - | (1,959,596) | - |
| Total | 83,398,023 | - | 5,313,131 | 88,711,154 |

¹ Mr Bohm was appointed as Non-Executive Chairperson on 11 December 2020.

² Mr Pater was appointed as Non-Executive Director on 1 February 2021.

³ Mr Sutherland resigned as Non-Executive Director on 11 December 2020 and the other changes reflect the shares he held at the time of his resignation.

⁴ Included in the Shares held by Mr Bohm are 60,000,000 shares held in the name of Flagstaff Minerals Limited of which Mr Bohm is a director and his spouse holds a 22% interest in Flagstaff Minerals Limited.

⁵ The Shares held by Mr Pater are held in the name of Southern Cross Capital Pty Ltd, a company of which Mr Pater is a director

| Ordinary Shares | Balance at the start of the year / on appointment | Received on exercise of options | Other changes | Balance at the end of the year |
|-----------------|---|---------------------------------|---------------|--------------------------------|
| 2020 | Number | Number | Number | Number |
| Mr G Mooney | 1,438,427 | - | - | 1,438,427 |
| Mr S Cuomo | - | - | - | - |
| Mr A Sutherland | 1,959,596 | - | - | 1,959,596 |
| Total | 3,398,023 | - | - | 3,398,023 |

| Unlisted Options | Balance at the start of the year / on appointment | Received on exercise of options | Other changes | Balance at the end of the year |
|------------------------------|---|---------------------------------|-------------------|--------------------------------|
| 2021 | Number | Number | Number | Number |
| Mr M Bohm ¹ | 70,000,000 | - | - | 70,000,000 |
| Mr G Mooney | - | - | 25,000,000 | 25,000,000 |
| Mr S Cuomo | 5,000,000 | - | 20,000,000 | 25,000,000 |
| Mr J Pater ² | - | - | - | - |
| Mr A Sutherland ³ | 5,000,000 | - | (5,000,000) | - |
| Total | 80,000,000 | - | 40,000,000 | 120,000,000 |

¹ Mr Bohm was appointed as Non-Executive Chairperson on 11 December 2020.

² Mr Pater was appointed as Non-Executive Director on 1 February 2021.

³ Mr Sutherland resigned as Non-Executive Director on 11 December 2020.

⁴ Included in the Options held by Mr Bohm are 60,000,000 Options held in the name of Flagstaff Minerals Limited of which Mr Bohm is a director and his spouse holds a 22% interest in Flagstaff Minerals Limited.

DIRECTORS' REPORT

13 Audited Remuneration Report (continued)

I. Equity instruments held by key management personnel

| Unlisted Options | Balance at the start of the year / on appointment | Received on exercise of options | on Other changes | Balance at the end of the year |
|------------------|---|---------------------------------|------------------|--------------------------------|
| | Number | Number | Number | Number |
| 2020 | | | | |
| Mr G Mooney | - | - | - | - |
| Mr S Cuomo | 5,000,000 | - | - | 5,000,000 |
| Mr A Sutherland | 5,000,000 | - | - | 5,000,000 |
| Total | 10,000,000 | - | - | 10,000,000 |

J. Loans to key management personnel

There were no loans made to directors of Riedel Resources Limited and other key management personnel of the group, including their close family members or entities related to them.

K. Other transaction with key management personnel

The following transactions occurred with related parties:

- The Company paid \$42,000 to Mooney & Partners, a company associated with Mr Mooney, as follows
 - \$36,000 for the provision of company secretarial services;
 - \$6,000 for the rental of office space, the rental lease is settled on a monthly basis.

As at 30 June 2021, \$3,000 remained outstanding.

- The Company paid \$61,000 to Cerbat Hills Pty Ltd, a company which Mr Michael Bohm is a director, for technical consulting services provided during the year.

As at 30 June 2021, no invoices remained outstanding, however an accrual of \$8,000 was provided for June services yet to be invoiced.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. The outstanding balances outstanding at the reporting date in relation to transactions with related parties total \$11,000 and are disclosed above.

End of Remuneration Report

DIRECTORS' REPORT

14. Shares under Options

Unissued ordinary shares of Riedel Resources Limited under option at the date of this report are as follows:

| Date Options Granted | Expiry Date | Exercise Price | Number under Option |
|----------------------|-------------|----------------|---------------------|
| 29 Nov 18 | 23 Nov 21 | \$0.1100 | 10,000,000 |
| 14 Dec 20 | 14 Dec 23 | \$0.0125 | 150,000,000 |

No option holder has any right under the options to participate in any other share issue of the Company or any other entity

15. Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or to 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.

16. Meetings of Directors

During the financial year, 2 (two) meetings of directors were held. The number of meetings attended by each director during the year is stated below:

| Director | Directors Meetings | |
|-----------------|---------------------------|-------------------|
| | Number Eligible to Attend | Meetings Attended |
| Mr M Bohm | 3 | 3 |
| Mr G Mooney | 3 | 2 |
| Mr S Cuomo | 3 | 2 |
| Mr J Pater | 2 | 2 |
| Mr A Sutherland | - | - |

17. Insurance of Officers

Riedel Resources has paid a premium of \$14,292 for the full financial period (2020: \$4,477 for the period from 31 January 2020 to 30 June 2020) to insure the directors and secretary of the Company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company.

DIRECTORS' REPORT

17. Insurance of Officers (continued)

The Group has not, during or since the financial year, in respect of any person who is or has been an officer of the Company:

- Indemnified or made any relevant agreement for the indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

18. Auditors Independent Declaration and Non-Audit Services

The auditor's independence declaration for the year ended 30 June 2020 has been received and is included in the financial report on page 21.

Signed in accordance with a resolution of the Board of Directors



Michael Bohm
Non-Executive Director
Date: 30 September 2021

Competent Person Statement

Information in this release that relates to Exploration Results is based on information compiled by Mr Sean Whiteford, who is a qualified geologist, a member of the Australian Institute of Mining and Metallurgy, and a consultant to Riedel Resources Limited. Mr Whiteford has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whiteford consents to the inclusion in this release of the matters based on his information in the form and context in which it appears. Mr Whiteford is not a shareholder of the Company.

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production output.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

New Information or Data

The company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

Notes

¹ For full details of these Exploration results, refer to the said Announcement on the said date. Riedel is not aware of any new information of data that materially affects the information included in the announcement.

² For full details of these Exploration results, refer to the Norwest Minerals Limited ASX Announcement on the said date. Riedel is not aware of any new information of data that materially affects the information included in the announcement.

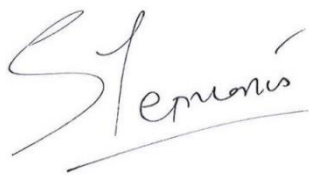
AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF RIEDEL RESOURCES LIMITED

In relation to our audit of the financial report of Riedel Resources Limited for the year ended 30 June 2021, 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

30 SEPTEMBER 2021
WEST PERTH,
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

| | NOTES | 2021 \$ | 2020 \$ |
|--|-----------|--------------------|--------------------|
| Interest income | | 405 | 1,565 |
| Other revenue | | - | 64,860 |
| Total revenue | 2 | 405 | 66,425 |
| Administration expenses | | (306,973) | (197,093) |
| Depreciation | | - | (645) |
| Employee benefits expense | | (261,919) | (95,700) |
| Share based payments | 13 | (2,775,000) | |
| Impairment of capitalised exploration | | (120,850) | (895,777) |
| Exploration and evaluation expenditure | | - | (10,551) |
| Assets written off | | - | (645) |
| Profit/ (Loss) before income tax expense | | (3,464,342) | (1,133,986) |
| Income tax expense | 4 | - | - |
| Profit/ (Loss) for the year | | (3,464,342) | (1,133,986) |
| Other comprehensive loss | | | |
| <i>Items that may be reclassified subsequent to profit or loss</i> | | | |
| Exchange difference on translation of foreign operation | | 3,451 | 1,891 |
| Total comprehensive Profit/ (Loss) for the year | | (3,460,891) | (1,132,095) |
| Basic and diluted earnings per share (cents) | 18 | (0.53) | (0.27) |

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

Consolidated Statement of Financial Position

As At 30 June 2021

| | NOTES | 2021 \$ | 2020 \$ |
|--|-------|------------------|------------------|
| Current Assets | | | |
| Cash and cash equivalents | 6 | 2,723,188 | 885,629 |
| Trade and other receivables | 7 | 145,729 | 254,571 |
| Total Current Assets | | 2,868,917 | 1,140,200 |
| Non-Current Assets | | | |
| Financial asset | 8 | 1,806,956 | - |
| Exploration and evaluation expenditure | 9 | 659,955 | 780,810 |
| Total Non-Current Assets | | 2,466,911 | 780,810 |
| Total Assets | | 5,335,828 | 1,921,070 |
| Current Liabilities | | | |
| Trade and other payables | 10 | 119,663 | 23,806 |
| Total Current Liabilities | | 119,663 | 23,806 |
| Total Liabilities | | 119,663 | 23,806 |
| Net Assets | | 5,216,165 | 1,897,204 |
| Equity | | | |
| Contributed equity | 11 | 23,241,949 | 19,237,097 |
| Share based payment reserve | 13 | 2,809,800 | 34,800 |
| Foreign currency translation reserve | 15 | 3,327 | (124) |
| Accumulated losses | 16 | (20,838,911) | (17,374,569) |
| Total Equity | | 5,216,165 | 1,897,204 |

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

| | Issued Capital | Foreign Currency Translation Reserve | Share Based Payments Reserve | Accumulated Losses | Total |
|---|-------------------|---|------------------------------------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | 19,237,097 | (124) | 34,800 | (17,374,569) | 1,897,204 |
| Profit/ (Loss) for the period | - | - | - | (3,464,342) | (3,464,342) |
| Other comprehensive gain | - | 3,451 | - | - | 3,451 |
| Total comprehensive loss for the period | - | 3,451 | - | (3,464,342) | (3,460,891) |
| <i>Transactions with owner, recorded directly in equity</i> | | | | | |
| Contributions of equity (net of transaction costs) | 4,004,852 | - | - | - | 4,004,852 |
| Share based payments | - | - | 2,775,000 | - | 2,775,000 |
| | 4,004,852 | - | 2,775,000 | - | 6,779,852 |
| Balance at 30 June 2021 | 23,241,949 | 3,327 | 2,809,800 | (20,838,911) | 5,216,165 |
| Balance at 1 July 2019 | 19,237,097 | (2015) | 34,800 | (16,240,583) | 3,029,299 |
| Profit/ (Loss) for the period | - | - | - | (1,133,986) | (1,133,986) |
| Other comprehensive gain | - | 1,891 | - | - | 1,891 |
| Total comprehensive loss for the period | - | 1,891 | - | (1,133,986) | (1,132,095) |
| <i>Transactions with owner, recorded directly in equity</i> | | | | | |
| Share based payments | - | - | - | - | - |
| | - | - | - | - | - |
| Balance at 30 June 2020 | 19,237,097 | (124) | 34,800 | (17,374,569) | 1,897,204 |

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

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

| | NOTES | 2021 \$ | 2020 \$ |
|--|-----------|--------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Interest received | | 401 | 1,565 |
| Government grants | | - | 30,268 |
| Payments to suppliers and employees | | (424,190) | (283,162) |
| Net cash used in operating activities | 17 | (423,789) | (251,329) |
| Cash Flows from Investing Activities | | | |
| Payment for exploration and evaluation | | - | (17,653) |
| Payment for prepaid costs for option to acquire shares in Flagstaff Minerals (US) Inc. | | (1,476,956) | - |
| Net cash used in investing activities | | (1,476,956) | (17,653) |
| Cash Flows from Financing Activities | | | |
| Proceeds from issued capital | | 3,875,015 | - |
| Payments for share issue costs | | (140,162) | - |
| Net cash provided in financing activities | | 3,734,853 | - |
| Net cash increase / (decrease) in cash and cash equivalents held | | 1,834,108 | (286,982) |
| Cash and cash equivalents at the start of the year | | 885,629 | 1,152,720 |
| Effects of foreign currency exchange | | 3,451 | 1,891 |
| Cash and cash equivalents at the end of the year | 6 | 2,723,188 | 885,629 |

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies

Riedel Resources Limited (the "Company") is a listed public company limited by shares, incorporated and domiciled in Australia.

The consolidated financial statements of the Company as at and for the year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group primarily is involved in mining and exploration activity.

(a) Basis of preparation

The accounting policies set out below have been consistently applied to all years presented.

(i) Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the Board of Directors on 30 September 2021. The Directors have the power to amend and revise the financial statements.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(iii) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

(iv) Going Concern

These financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As at 30 June 2021 the Group had net assets of \$5,216,165 (2020: \$1,897,204) and reported loss for the year of \$3,464,342: (2020: \$1,133,986) and had a net working capital of \$2,749,254 (2020: \$1,116,394).

Based on a cashflow forecast prepared by management, the ability of the Group to continue to pay its debts as and when they fall due is dependent on the Company successfully raising additional share capital and ultimately developing its mineral properties.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

(iv) Going Concern (continued)

The directors believe it is appropriate to prepare these financial statements on a going concern basis because:

- The directors have appropriate plans to raise additional funds as and when required. In light of the Group's current exploration projects, the directors believe that the additional capital can be raised in the market; and
- The directors have an appropriate plan to contain certain operating and exploration expenditure if required funding is not available.

These financial statements have been prepared on the basis that the Group can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of its assets and settlement of its liabilities can occur in the ordinary course of business.

In the event that the Group is unable to satisfy future funding requirements, a material uncertainty would arise that may cast significant doubt on the Group's ability to continue as a going concern with the result that the Group may be required to realise its assets at amounts different from those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for costs which may arise as a result of cessation or curtailment of normal business operations.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Riedel Resources Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Riedel Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(b) Principles of consolidation (continued)

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) 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 directors. The directors are responsible for the allocation of resources to operating segments and assessing their performance.

(d) Foreign currency translation

The financial statements are presented in Australian dollars, which is Riedel Resources Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(e) Critical accounting judgements, estimates and assumptions

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(e) Critical accounting judgements, estimates and assumptions (continued)

Share Based Payment Transactions

The Group 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 is determined by an independent external valuation using Black-Scholes model, using the assumptions detailed in Note 14.

Exploration and Evaluation Costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

Fair Value of Financial Assets

Riedel has considered the fair value of the Financial Asset (being represented by the option to earn-in and acquire up to 80% interest in Flagstaff Minerals (USA) Inc. share capital) and determined that 'cost' and 'fair value' are effectively the same thing in this instance as the amount paid by Riedel represents payment by a willing but not anxious buyer to a willing but not anxious seller in an arm's length transaction. At the date of this assessment the transaction continues to be ongoing.

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 consolidated entity 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 consolidated entity operates.

Impairment of Exploration and Evaluation Assets and Investments in and Loans to Subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(f) Income tax expenses

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

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

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

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

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

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not, at reporting date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against loss in the year 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.

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

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(h) 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.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(i) Fair value measurement

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

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

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 each reporting date and transfers between levels are determined based on a reassessment of the lowest level 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.

(j) Current and non-current classification

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

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

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

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(k) Cash and cash equivalents

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

(l) Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the

time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(m) Goods and services tax

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

(n) Impairment

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.

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.

Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

Non-Financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(n) Impairment (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

(o) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

(p) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Group. 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.

(q) Share based payment transactions

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transaction").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an independent external valuation using Black-Scholes, an option valuation 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

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(q) Share based payment transactions (continued)

non-vesting conditions that do not determine whether the Group receives services that entitle the employees to receive payment.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“vesting date”).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

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

(r) 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.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(r) Trade and other receivables

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

(s) Contributed equity

Ordinary shares are classified as equity.

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

(t) 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:

| | |
|-----------------------|---------|
| Office equipment | 2 years |
| Exploration equipment | 5 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is recognised 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.

(u) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(u) Employee benefits (continued)

Other long-term employee benefits

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

Defined contribution superannuation expense

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

(v) Earnings per share

Basic earnings per share

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

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.

(w) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(x) New accounting standards and interpretations adopted by the Group

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(x) New accounting standards and interpretations adopted by the Group (continue)

Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material
This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards – References to the Conceptual Framework

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior years nor on the current year.

2. Revenue

| | 2021 \$ | 2020 \$ |
|---|------------|---------------|
| <i>Revenue from continuing operations</i> | | |
| Interest received | 405 | 1,565 |
| <i>Other income</i> | | |
| Government Grant – Cashflow boost | - | 64,860 |
| | <u>405</u> | <u>66,425</u> |

3. Expenses

| | 2021 \$ | 2020 \$ |
|---|----------------|----------------|
| <i>Loss for the year includes the following expenses:</i> | | |
| Depreciation | - | 645 |
| Explorations and evaluation incurred | - | 10,551 |
| Superannuation – defined contribution | 13,251 | 5,700 |
| Impairment of exploration expenditure | 120,855 | 895,777 |
| | <u>134,106</u> | <u>912,673</u> |

4. Income tax expense

| | 2021 \$ | 2020 \$ |
|-------------------------------|------------|------------|
| Income tax expense/(benefit): | | |
| Current tax | - | - |
| Prior year under provision | - | - |
| Deferred tax | - | - |
| | <u>-</u> | <u>-</u> |

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

4 Income tax expense (continued)

| | 2021 \$ | 2020 \$ |
|---|----------------|----------------|
| The prima facie income tax expense/(benefit) on pre-tax accounting loss from operations reconciles to the income tax expense/ (benefit) in the financial statements as follows: | | |
| Prima facie income tax benefit on profit/(loss) at 30%. (2020: 30%) | (1,041,735) | (340,196) |
| <i>Effect of lower foreign tax rates</i> | 975 | 806 |
| Add: | | |
| Tax effect of: | | |
| Other non-allowable items | 13,103 | 4,600 |
| Share based payment | 832,500 | - |
| Impairment of exploration expenditure | - | 268,734 |
| Superannuation payable | 128 | (570) |
| | <u>845,731</u> | <u>272,764</u> |
| Less: | | |
| Tax effect of: | | |
| Exploration and evaluation expenditure | 36,257 | (2,131) |
| Capital raising costs | (19,828) | (9,686) |
| Revenue losses not recognised | 180,726 | 99,811 |
| Non-assessable cash boost | - | (19,458) |
| Provisions and accruals | 1,575 | - |
| Prepayments | (3,701) | (1,910) |
| | <u>195,029</u> | <u>66,626</u> |
| Income tax expense/(benefit) | <u>-</u> | <u>-</u> |
| The applicable average weighted tax rates are as follows: | 0% | 0% |

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2020: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. The full company tax rate of 30% applies to all companies that are not eligible for the lower company tax rate.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

4 Income tax expense (continued)

| | 2021 \$ | 2020 \$ |
|---|------------------|------------------|
| <i>The following deferred tax balances have not been recognised</i> | | |
| : | | |
| Deferred Tax Assets: | | |
| <i>At 30% (2020:30%)</i> | | |
| Carry forward revenue losses | 1,971,585 | 1,798,120 |
| Capital raising cost | 59,387 | 30,719 |
| Provisions and accruals | 4,028 | 2,325 |
| | <u>2,035,000</u> | <u>1,831,164</u> |

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Company in utilising the benefits.

| | 2021 \$ | 2020 \$ |
|--|----------------|----------------|
| Deferred Tax Liabilities: | | |
| <i>At 30% (2020:30%)</i> | | |
| Exploration and evaluation expenditure | <u>234,243</u> | <u>234,243</u> |

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Asset has not been recognised.

5 Auditors remuneration

| | 2021 \$ | 2020 \$ |
|--|---------------|---------------|
| <i>Remuneration of the auditor of the parent entity for:</i> | | |
| Auditing or reviewing the financial report | 38,690 | 20,005 |
| Other non-audit services | - | - |
| | <u>38,690</u> | <u>20,005</u> |

6 Cash and cash equivalents

| | 2021 \$ | 2020 \$ |
|--------------|------------------|----------------|
| Cash on hand | 312 | 312 |
| Cash at bank | 2,722,876 | 885,317 |
| | <u>2,723,188</u> | <u>885,629</u> |

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

7 Trade and other receivable

| | 2021 | 2020 |
|---------------|----------------|----------------|
| | \$ | \$ |
| Prepayments | 18,703 | 6,368 |
| GST/VAT paid | 8,029 | 213,611 |
| Other debtors | 118,997 | 34,592 |
| | <u>145,729</u> | <u>254,571</u> |

Included in other debtors is \$105,162 held by Flagstaff Minerals in trust on its behalf.

Refer to note 20 for further information on financial instruments

8 Financial Assets

| | 2021 | 2020 |
|--|------------------|----------|
| | \$ | \$ |
| <i>Prepaid acquisition costs associated with the Option to acquire shares in Flagstaff Minerals (US) Inc</i> | | |
| Gross capitalised pre-paid acquisition costs | 1,806,956 | - |
| Less: Provision for impairment | - | - |
| Net amount | <u>1,806,956</u> | <u>-</u> |
| <i>Prepaid acquisition costs reconciliation</i> | | |
| Opening balance | - | - |
| Exploration and evaluation activities funded on behalf of Flagstaff Minerals (US) Inc as | | |
| (i) | 1,476,955 | - |
| Other consideration paid in accordance with the terms of earn-in agreement | (ii) 330,000 | - |
| Closing balance | <u>1,806,956</u> | <u>-</u> |

As announced to Australian Securities Exchange on 22 October 2020 ("Commencement Date"), the Company entered into an agreement to acquire up to an 80% interest in the shares of Flagstaff Minerals (USA) Inc ("Flagstaff:") ("the Agreement"), a unlisted company incorporated in the United States which holds the rights to 100% of the Kingman Gold Silver Project, located in the north-west of Arizona.

During the period the Company has been focused on progressing the exploration and evaluation on the Kingsman Project to advance its option to acquire an interest in the project in accordance with the terms set out in the Agreement.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

8 Financial Assets (continued)

- (i) In accordance with Stage 1 of the Agreement – Initial Exploration Expenditure
- Riedel must expend at least AUD\$1,500,000 on the Kingman Project within 12-months from the Stage 1 Commencement Date, being 22 October 2020.
 - Riedel must expend AUD\$5,000,000 on the Kingman Project within 3 years from the Stage 1 Commencement Date, being 22 December 2023 to obtain a 51% equity interest in Flagstaff USA (Stage 1 Earn-In).
 - On meeting the \$5,000,000 spend and to allow Riedel to move to Stage 2, Riedel is then required to issue 100,000,000 shares at a deemed issue price of \$0.055 per RIE Share to obtain a 51% equity interest in Flagstaff USA.
 - On meeting these requirements and providing Flagstaff with a written election notice, the commencement date for Stage 2 will commence at the date that the Stage 1 expenditure requirement is met.

In the event that Riedel withdraws before completing the Stage 1 Earn-In, subject to Riedel incurring at least AUD\$1,500,000 of expenditure on the Kingman Project within 12-months from the Stage 1 Commencement Date, Riedel shall obtain a 15% equity interest in Flagstaff USA.

- (ii) On 11 December 2020 the Company issued 60,000,000 fully paid ordinary shares to Flagstaff Minerals Limited at an issue price of \$0.055, which were subject to voluntary escrow for 6 months, in accordance with the terms of the Agreement.

9 Exploration and evaluation expenditure

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$ | \$ |
| Gross capitalised exploration and evaluation expenditure | 780,810 | 1,679,124 |
| Less: Provision for impairment | (120,855) | (898,314) |
| Net amount | <u>659,955</u> | <u>780,810</u> |
| <i>Exploration and evaluation expenditure reconciliation</i> | | |
| Opening balance | 780,810 | 1,669,485 |
| Exploration and development expenditure incurred | - | 17,653 |
| Exploration and evaluation written off | - | (10,551) |
| Impairment | (120,855) | (895,777) |
| Closing balance | <u>659,955</u> | <u>780,810</u> |

10 Trade and other payables

| | 2021 | 2020 |
|-----------------|----------------|---------------|
| | \$ | \$ |
| Trade creditors | 91,663 | 15,571 |
| Accruals | 28,000 | 8,235 |
| | <u>119,663</u> | <u>23,806</u> |

Refer to note 20 for further information on financial instruments

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

11 Contributed equity

(a) Issued capital

| | 2021 | 2021 |
|---------------------------------|--------------------|-------------------|
| | Shares | \$ |
| Ordinary shares (fully paid) | 962,707,062 | 24,345,624 |
| Less: Cost of issue | | (1,103,675) |
| Closing balance at 30 June 2021 | <u>962,707,062</u> | <u>23,241,949</u> |
| | 2020 | 2020 |
| | Shares | \$ |
| Ordinary shares (fully paid) | 418,069,699 | 20,200,609 |
| Less: Cost of issue | | (963,512) |
| Closing balance at 30 June 2020 | <u>418,069,699</u> | <u>19,237,097</u> |

(b) Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Options

Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 12.

(d) Capital management

Management controls the capital of the Group by monitoring performance against budget to provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

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

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy by management to control the capital of the Group since the prior year.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

11 Contributed equity (continued)

(e) Movements in issued capital

| | Date | Shares | Issue Price | Total (\$) |
|------------------------------|------|--------------------|-------------|-------------------|
| Opening balance 1 July 2019 | | 418,069,699 | | 19,237,097 |
| Closing balance 30 June 2020 | | <u>418,069,699</u> | | <u>19,237,097</u> |

There were no shares issued during 2020 financial year

| | Date | Shares | Issue Price | Total (\$) |
|--|-----------|--------------------|-------------|-------------------|
| Opening balance 1 July 2020 | | 418,069,699 | | 19,237,097 |
| Placement | 11 Dec 20 | 363,636,363 | \$0.055 | 2,000,000 |
| Flagstaff consideration shares | 11 Dec 20 | 60,000,000 | \$0.055 | 330,000 |
| Placement | 10 Jun 21 | 121,000,000 | \$0.015 | 1,815,000 |
| Placement under Prospectus dated 27 Nov 2020 | 15 Jun 21 | 1,000 | \$0.015 | 15 |
| Less: Transaction costs | | | | (140,163) |
| Closing balance 30 June 2021 | | <u>962,707,062</u> | | <u>23,241,949</u> |

12 Share options

| | Exercise price | Balance at start of year | Granted during the year | Exercised during the year | Cancelled/lapsed during the year | Balance at end of the year |
|-------------------------------------|----------------|--------------------------|-------------------------|---------------------------|----------------------------------|----------------------------|
| 2021 unlisted option details | | | | | | |
| 23 Nov 21 | 11cents | 10,000,000 | - | - | - | 10,000,000 |
| 14 Dec 23 | 1.25cents | - | 150,000,000 | - | - | 150,000,000 |
| Closing balance 30 Jun 21 | | <u>10,000,000</u> | <u>150,000,000</u> | <u>-</u> | <u>-</u> | <u>160,000,000</u> |
| Weighted average exercise price | | 11 cents | 1.25 cents | - | - | 1.86 cents |
| 2020 unlisted option details | | | | | | |
| 23 Nov 21 | 11.00cents | 10,000,000 | - | - | - | 10,000,000 |
| Closing balance 30 Jun 20 | | <u>10,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,000,000</u> |
| Weighted average exercise price | | 11 cents | - | - | - | 11.00 cents |

The weighted average remaining contractual life of options at the end of the financial year was 2.3 years (2020: 1.4 years).

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

13 Share based payment reserves

| | | 2021 | 2020 |
|-------------------------|-----|------------------|---------------|
| | | \$ | \$ |
| Opening balance | | 34,800 | 34,800 |
| Unlisted options issued | (i) | <u>2,775,000</u> | <u>-</u> |
| Closing balance | | <u>2,809,800</u> | <u>34,800</u> |

(i) Refers to fair value of options issued in accordance with AASB 2 Share Based Payment.

The unlisted options reserve records items recognised on valuation of director, vendor and consultant share options. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year is set out in note 12 and 14.

14 Share based payments

(a) Fair value of unlisted options granted

2021

The value of 150,000,000 options was calculated using Black-Scholes Option Price Model and totalled \$2,775,000. The values and inputs are as follows:

| | | | |
|-------------------------|----------|------------------------|-------------|
| Underlying share price | \$0.0250 | Share price volatility | 100% |
| Exercise price | \$0.0125 | Expiry date | 14 Dec 2023 |
| Risk free interest rate | 0.10% | Value per option | \$0.0185 |

2020

There were no unlisted options issued during 2020 year, however the carried forward value of 10,000,000 options issued during 2019 year was calculated using Black-Scholes Option Price Model and totalled \$34,800. The values and inputs are as follows:

| | | | |
|-------------------------|---------|------------------------|-------------|
| Underlying share price | \$0.016 | Share price volatility | 95% |
| Exercise price | \$0.110 | Expiry date | 23 Nov 2021 |
| Risk free interest rate | 2.11% | Value per option | \$0.00348 |

Per volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Total share-based payment transactions recognised during the year are as set out in (d) below. Details of other options movements and balances are set out in note 12.

(b) Fair value of unlisted options granted

The fair value of listed options granted is calculated as the market value prevailing at the date on which the options are authorised for issue. No listed options were issued this year.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

15 Foreign currency translation reserve

| | 2021 | 2020 |
|-------------------------|--------------|--------------|
| | \$ | \$ |
| Opening balance | (124) | (2,015) |
| Unlisted options issued | 3,451 | 1,891 |
| Closing balance | <u>3,327</u> | <u>(124)</u> |

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

16 Accumulated losses

| | 2021 | 2020 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Accumulated losses at the beginning of the year | (17,374,569) | (16,240,583) |
| Net profit/(loss) for the year | (3,464,342) | (1,133,986) |
| Accumulated losses at the end of the year | <u>(20,838,911)</u> | <u>(17,374,569)</u> |

17 Notes to the statement of cash flows

| | 2021 | 2020 |
|--|------------------|------------------|
| | \$ | \$ |
| Reconciliation of cash flow from operating activities to profit/(loss) | | |
| Profit/(loss) from ordinary activities after income tax | (3,464,342) | (1,133,986) |
| Add: non-cash items: | | |
| Share based payments | 2,775,000 | - |
| Depreciation | - | 645 |
| Impairment of exploration expenditure | 120,855 | 895,777 |
| Exploration and evaluation expenditure written off | - | 10,551 |
| Write off assets | - | 645 |
| Changes in assets and liabilities: | | |
| Decrease/(increase) in receivables | 108,842 | (24,819) |
| Increase/(decrease) in payables | 35,856 | (142) |
| Net used in Operating Activities | <u>(423,789)</u> | <u>(251,329)</u> |

Non-cash investing and financing activities

There were no other non-cash investing and financing activities, except the options issued detailed in notes 11 and 13.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

18 Basic and diluted earnings

| | 2021 Cents | 2020 Cents |
|--|--------------------|--------------------|
| Basic and diluted earnings per share | <u>(0.53)</u> | <u>(0.27)</u> |
| Profit/(Loss) from operations attributable to ordinary equity holders of Riedel Resources Limited used to calculate basic loss per share | <u>(3,464,342)</u> | <u>(1,133,986)</u> |
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | <u>658,984,581</u> | <u>418,069,699</u> |

The Company has not disclosed diluted earnings per share as the effect of potential ordinary shares is to increase/(decrease) the profit/(loss) per share.

19 Segment reporting

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia, United States and Spain. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

| 2021 | Australia | United States | Spain | Unallocated | Total |
|--------------------------------|--------------------|---------------|-----------------|-------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Revenue | <u>405</u> | - | - | - | <u>405</u> |
| Net profit / (loss) before tax | <u>(3,445,118)</u> | - | <u>(19,497)</u> | 273 | <u>(3,464,342)</u> |
| Reportable segment assets | <u>3,325,276</u> | 1,806,956 | 203,596 | - | <u>5,335,828</u> |
| Reportable segment liabilities | <u>(121,398)</u> | - | 1,735 | - | <u>(119,663)</u> |

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

19 Segment reporting (continued)

| 2020 | Australia | United States | Spain | Unallocated | Total |
|--------------------------------|-------------|---------------|----------|-------------|-------------|
| | \$ | \$ | \$ | \$ | \$ |
| Revenue | 66,425 | - | - | - | 66,425 |
| Net profit / (loss) before tax | (1,125,866) | - | (15,273) | 7,153 | (1,133,986) |
| Reportable segment assets | 828,178 | - | 221,862 | 870,970 | 1,921,010 |
| Reportable segment liabilities | (23,321) | - | (485) | - | (23,806) |

20 Financial instruments

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 180 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have any other short or long term debt, and therefore this risk is minimal.

(b) Foreign exchange risk

The Group undertakes certain transactions in foreign currencies, hence exposure to exchange rate fluctuations arise. Payments made by the Group are made at the prevailing exchange rate at the time of payment. Loans advanced from the ultimate holding Company to subsidiary companies are denominated in Australian dollars. The Group does not utilise derivative instruments to hedge the exchange rate risk.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

20 Financial instruments (continued)

(c) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

(a) Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

| | Carrying Amount 2021 \$ | Carrying Amount 2020 \$ |
|---------------------------|-------------------------------|-------------------------------|
| Financial assets | | |
| Cash and cash equivalents | 2,723,188 | 885,629 |
| Other receivables | 118,996 | 248,203 |
| | <u>2,842,184</u> | <u>1,133,832</u> |

(b) Exposure to credit risk

None of the Group's other receivables are past due hence no impairment were provided for.

(c) 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 Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The Company does anticipate a need to raise additional capital in the next 12 months to meet forecasted operational and exploration activities.

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements are shown (e) below.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

20 Financial instruments (continued)

(d) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Riedel entered into an agreement to acquire up to 80% interest in the shares of Flagstaff Minerals (USA) Inc. ('Flagstaff US'). At 30 June 2021 the financial asset of \$1,806,956 is not subject to any market risk as the Company only holds the option to earn an interest in Flagstaff USA.

(e) Interest rate risks

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposit at interest rates maturing over 30-180 day rolling periods.

Interest Rate Risk Exposure Analysis

| | Weighted average effective interest rate | Floating interest rate | Within 1 year | Over 1 year | Non interest bearing | Total |
|------------------------------------|--|------------------------------|------------------|----------------|----------------------------|------------------|
| 2021 | | | | | | |
| Financial assets | % | \$ | \$ | \$ | \$ | \$ |
| Cash and cash equivalents | 0.05% | 1,865,073 | - | - | 858,115 | 2,723,188 |
| Trade and other receivables | 0.00% | - | - | - | 118,996 | 118,996 |
| Total financial assets | | 1,865,073 | - | - | 977,111 | 2,842,184 |
| Financial liabilities | | | | | | |
| Trade and other payables | 0.00% | - | - | - | 119,663 | 119,663 |
| Total financial liabilities | | - | - | - | 119,663 | 119,663 |

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

20 Financial instruments (continued)

(e) Interest rate risks (continued)

Interest Rate Risk Exposure Analysis

| | Weighted average effective interest rate | Floating interest rate | Within 1 year | Over 1 year | Non interest bearing | Total |
|------------------------------------|--|------------------------------|------------------|----------------|----------------------------|------------------|
| 2020 | | | | | | |
| Financial assets | % | \$ | \$ | \$ | \$ | \$ |
| Cash and cash equivalents | 0.05% | 864,773 | - | - | 20,856 | 885,629 |
| Trade and other receivables | 0.00% | - | - | - | 248,203 | 248,203 |
| Total financial assets | | 864,773 | - | - | 269,059 | 1,133,832 |
| Financial liabilities | | | | | | |
| Trade and other payables | 0.00% | - | - | - | 23,806 | 23,806 |
| Total financial liabilities | | - | - | - | 23,806 | 23,806 |

(f) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis is performed on the same basis for 2020.

| | 2021 \$ | 2020 \$ |
|---|------------|------------|
| Change in profit | | |
| Increase in interest rate by 1% (100 basis points) | 18,651 | 8,648 |
| Decrease in interest rate by 1% (100 basis points) | (18,651) | (8,648) |
| Change in equity | | |
| Increase in interest rate by 1% (100 basis points) | 18,651 | 8,648 |
| Decrease in interest rate by 1% (100 basis points) | (18,651) | (8,648) |

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

21 Commitments

On 2 October 2020, the Company announced its agreement to acquire up to 80% interest in Flagstaff Minerals (US) Inc, the owner of the Kingman Project. The following represents the Company's commitments for stage 1 of transaction, refer additional information at note 8.

| | 2021 \$ | 2020 \$ |
|---|------------------|------------|
| Within one year | 1,974,948 | - |
| After one year but not more than five years | 1,548,097 | - |
| More than five years | - | - |
| | <u>3,523,045</u> | <u>-</u> |

The above commitments relate to planned expenditure to meet the Stage 1 requirements of the Flagstaff Transaction, refer note 10. Expenditure required to complete Stage 2 and/or 3 of the Transaction is discretionary and will be dependent upon the outcome of current drilling.

Once the next phase of drilling has been completed, the results will be analysed and a decision on further works will be undertaken.

22 Interests in controlled entities

The consolidated financial statements include the financial statements of Riedel Resources Limited and the subsidiaries listed in the following table:

| Name | Country of incorporation | Equity interest (%) | |
|----------------------------------|-----------------------------|---------------------|------|
| | | 2021 | 2020 |
| AuDAX Minerals Pty Ltd | Australia | 100 | 100 |
| Riedel Resources (Spain) Pty Ltd | Australia | 100 | 100 |

Riedel Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

23 Related party disclosure

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

The following transactions occurred with related parties:

The following transactions occurred with related parties:

1. The Company paid \$42,000 to Mooney & Partners, a company associated with Mr Mooney, as follows
 - \$36,000 for the provision of company secretarial services;
 - \$6,000 for the rental of office space, the rental lease is settled on a monthly basis.

As at 30 June 2021, \$3,000 remained outstanding.

2. The Company paid \$61,000 to Cerbat Hills Pty Ltd, a company which Mr Michael Bohm is a director, for technical consulting services provided during the year.

As at 30 June 2021, no invoices remained outstanding, however an accrual of \$8,000 was provided for June services yet to be invoiced.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. The outstanding balances outstanding at the reporting date in relation to transactions with related parties total \$11,000 and are disclosed above.

24 Post Balance Date Events

There have not been any events that have arisen between 30 June 2021 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

25 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities.

26 Dividends

No dividends were paid or declared during the year.

27 Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to be approximately the fair value due to their short-term nature.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

28 Parent entity disclosure

Financial Position

| | 2021 | 2020 |
|---------------------|---------------------|---------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | 2,662,397 | 876,660 |
| Non-current assets | 1,806,956 | 40,960 |
| Total assets | <u>4,469,353</u> | <u>917,620</u> |
| Liabilities | | |
| Current liabilities | <u>118,998</u> | <u>23,321</u> |
| Total liabilities | <u>118,998</u> | <u>23,321</u> |
| Net assets | <u>4,350,355</u> | <u>894,299</u> |
| Equity | | |
| Contributed equity | 23,241,949 | 19,237,097 |
| Reserves | 2,809,800 | 34,800 |
| Accumulated losses | <u>(21,701,394)</u> | <u>(18,377,598)</u> |
| Total equity | <u>4,350,355</u> | <u>894,299</u> |

Financial Performance

| | 2021 | 2020 |
|------------------------------------|--------------------|------------------|
| | \$ | \$ |
| Profit/ (loss) for the year | <u>(3,323,796)</u> | <u>(229,627)</u> |
| Total comprehensive profit/ (loss) | <u>(3,323,796)</u> | <u>(229,627)</u> |

Commitments

For details see note 21.

Contingent liabilities / guarantees

The Company is not aware of any contingent liabilities or guarantees

Directors' Declaration

The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date.
 - (c) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Michael Bohm
Non-Executive Chairman

Date: 30 September 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

RIEDEL RESOURCES LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Riedel Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 accompanying financial report of Riedel Resources 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 2021 and of 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.

Material Uncertainty Relating to Going Concern

Without modifying our opinion, we draw attention to the financial report which indicates the consolidated entity has incurred a loss of \$3,464,342 (2020: loss of \$1,133,986) and operating cash outflows of \$432,789 (2020: outflows of \$251,329) for the year ended 30 June 2021. These conditions along with other matters detailed in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Level 4, 35 Havelock Street, West Perth, WA 6005

PO Box 609, West Perth, WA 6872

T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

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.

Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context

1. Carrying value of capitalised exploration expenditure

Why significant

As at 30 June 2021 the carrying value of exploration and evaluation assets was \$659,955 (2020: \$780,810), as disclosed in Note 9.

The Group's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1(g).

Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the Group's accounting policy. In particular:
 - whether the particular areas of interest meet the recognition conditions for an asset; and
 - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
 - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
 - holding discussions with management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
 - obtaining and assessing evidence of the Group's future intention for the areas of interest.
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves exist;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the Group's accounting policy; and
- assessing the appropriateness of the related disclosures in Note 1(g) and 9.

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2. Share based payments

Why significant

For the year ended 30 June 2021 the value of share based payments issued totalled \$2,775,000, as disclosed in Note 13. This has been recognised as a share-based payment expense within the employee benefits expense in the Statement of Profit or Loss and Other Comprehensive Income.

The consolidated entity's accounting judgement and estimates in respect of share based payments is outlined in Note 1(q). Significant judgement is required in relation to:

- The valuation method used; and
- The assumptions and inputs used within the model.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

Reviewed internal management's valuation of the equity instruments issued, including:

- assessing the appropriateness of the valuation method used; and
- assessing the reasonableness of the assumptions and inputs used within the valuation model.
- Reviewed Board meeting minutes and ASX announcements as well as enquired of relevant personnel to ensure all share based payments had been recognised;
- Assessed the allocation and recognition to ensure it is reasonable; and
- Assessed the appropriateness of the related disclosures in Notes 1(q) and 13.

3. Classification and carrying value of the option to acquire shares in Flagstaff Minerals (USA) Inc

Why significant

As at 30 June 2021, the carrying value of the financial asset related to the options to acquire shares in Flagstaff Minerals (USA) Inc was \$1,806,956 (2020: Nil) as disclosed in Note 8.

The Group's accounting policy in respect of Financial Assets is outlined in Note 1(h/n).

Significant judgement is required:

- in determining whether facts and circumstances indicate that the transaction should be classified in accordance with Australian Accounting Standard AASB 9 Financial Instruments ("AASB 9") or AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the fair value of the asset in accordance with AASB 9.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Obtaining a detailed understanding of the transaction;
- Conducting a review of management's assessment of classification of asset as financial asset, according to AASB 9;
- Testing all cash call transactions incurred during the year for compliance with AASB 9 measurement requirements;
- Assessing the fair value of the asset at reporting date;
- Assessing the appropriateness of the related disclosures in Note 1(h/n) and 8.

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Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Directors' for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the 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 2021.

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

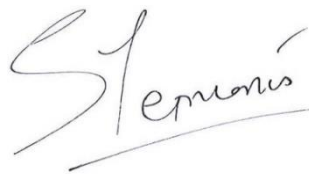
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Responsibilities

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

30 September 2021
WEST PERTH,
WESTERN AUSTRALIA

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Additional shareholder information

Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the company's Corporate Governance Statement can be found on the company's website, refer to <https://www.riedelresources.com.au/corporate/corporate-governance>.

Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 24 September 2021 were as follows:

| Number Held as at 24 September 2021 | Class of Equity Securities Fully Paid Ordinary Shares |
|-------------------------------------|--|
| 1 - 1,000 | 35 |
| 1,001 - 5,000 | 7 |
| 5,001 - 10,000 | 41 |
| 10,001 - 100,000 | 365 |
| 100,001 and above | 419 |
| | 867 |

Substantial Shareholding

The names of the substantial shareholders listed in the company's register as at 24 September 2021:

| Shareholder | Percentage | Number |
|--|------------|------------|
| SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C> | 8.00 | 77,338,479 |
| FLAGSTAFF MINERALS LIMITED | 6.21 | 60,000,000 |
| SOUTHERN CROSS CAPITAL PTY LTD | 5.82 | 56,242,424 |
| SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C> | 5.08 | 49,125,000 |

Voting Rights

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll, every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held. And Option holders are not entitled to vote.

Options

| | Exercise price | Expiry date | Number of options | Number of holders |
|------------------|----------------|------------------|-------------------|-------------------|
| Unlisted options | \$0.1000 | 23 November 2021 | 1,000,000 | 2 |
| Unlisted options | \$0.0125 | 14 December 2023 | 150,000,000 | 9 |

Additional shareholder information

Options (continued)

| Number Held as at 24 September 2021 | Class of Equity Securities Unlisted Options |
|-------------------------------------|--|
| 1- 1,000 | - |
| 1,001 - 5,000 | - |
| 5,001 - 10,000 | - |
| 10,001 - 100,000 | - |
| 100,001 and above | 10 |
| | 10 |

Twenty Largest Shareholders

| Shareholder | Number | % Held of Issued Ordinary Capital |
|---|--------------------|--|
| SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C> | 77,338,479 | 8.00 |
| FLAGSTAFF MINERALS LIMITED | 60,000,000 | 6.21 |
| SOUTHERN CROSS CAPITAL PTY LTD | 56,242,424 | 5.82 |
| SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C> | 49,125,000 | 5.82 |
| FLOURISH SUPER PTY LTD <FLOURISH S/F A/C> | 38,000,000 | 3.93 |
| QUINLYNTON PTY LTD <PURSER SUPER FUND A/C> | 34,924,470 | 3.61 |
| CLJML INVESTMENTS PTY LTD <CLJML SUPERANNUATION FUND A/C> | 20,000,000 | 2.07 |
| HARDY ROAD INVESTMENTS PTY LTD | 17,767,516 | 1.84 |
| MR BIN LIU | 16,666,668 | 1.72 |
| CITICORP NOMINEES PTY LTD | 16,241,279 | 1.68 |
| GOLD LEAF CORPORATE PTY LTD <GOLD LEAF CORPORATE A/C> | 14,033,334 | 1.45 |
| STYLEPOINT INVESTMENTS PTY LTD <J & E WALLIS FAMILY A/C> | 13,993,199 | 1.45 |
| ALMESH PTY LTD <SYMBA RETIREMENT FUND A/C> | 13,714,607 | 1.42 |
| MR JEFFREY JOHN MOORE + MRS JULIA ROSALIND MOORE <PRIVATE SUPER FUND A/C> | 13,000,000 | 1.34 |
| FLATHEAD DEVELOPMENTS PTY LTD <CP A/C> | 11,727,268 | 1.21 |
| SHAH NOMINEES PTY LTD <LOUIS CARSTEN S/F A/C> | 10,000,000 | 1.03 |
| PROVISTA HOLDINGS PTY LTD <MARVAL SUPER FUND A/C> | 9,857,589 | 1.02 |
| MR GARY TATASCIORE | 9,857,589 | 1.02 |
| CAMPEON PTY LTD | 8,545,825 | 0.88 |
| ORITOR PTY LTD | 8,320,209 | 0.86 |
| Totals: Top 21 holders of Ordinary Fully Paid Shares | 523,991,820 | 54.20 |
| Total remaining holders balance | 442,715,242 | 45.80 |

Additional shareholder information

Unmarketable Parcels

There were 236 holders with less than a marketable parcel based on closing price of \$0.015.

Restricted Securities

There were no restricted securities

Company Secretary

Susan Field

On-Market Buy Back

The Company has not initiated an on-market buy back.

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Tenement Listing

8.

SCHEDULE OF MINING TENEMENTS AS AT 24 SEPTEMBER 2021

| Area of Interest | Tenement reference | Nature of interest | Interest |
|------------------|--------------------|--------------------|----------|
| Australia | | | |
| Marymia | E52/2394 | Direct | 16% |
| Marymia | E52/2395 | Direct | 16% |
| West Yandal | M36/615 | Royalty | 0% |
| Porphyry | M31/157 | Royalty | 0% |

MINERAL RESOURCE STATEMENT

At 30 June 2021, the Company does not have any mineral resource.

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