REVOLVER RESOURCES

RESOURCING REVOLUTION

Revolver Resources Holdings Ltd and Controlled Entities

ABN 13 651 974 980

Financial Report

2021

Contents

REVOLVER RESOURCES

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their report on the consolidated group consisting of Revolver Resources Holdings Ltd and the entities it controlled at the end of, or during the period ended 31 December 2021. Throughout the report, the consolidated entity is referred to as the Group.

Directors

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

- Paul McKenna
- Patrick Williams
- Brian MacDonald

Directors have been in office since the date of incorporation (14 July 2021) to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the Group during the period was the exploration and evaluation of natural resource projects.

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

Review of Operations

In the period to 31 December 2021, the Group has undergone significant change. The key achievements and progress made during the period were as follows:

Corporate

Revolver Resources Holdings Ltd successfully completed an Initial Public Offering ("IPO") which raised $12.7 million.

The Group recorded a loss for the period to 31 December 2021 after providing for income tax is $2,499,592 which comprised one off costs associated with the IPO of $319,800. In addition non cash expenditure comprised share based payment expense of $1,260,650 and depreciation of $2,873.

The Group experienced net operating and investing cash outflows of $1,416,126 of which $1,577,847 related to exploration expenditure. As at 31 December 2021, the Group has net current assets of $10,556,249 including cash and cash equivalents of $10,515,605.

Exploration and Development

- The "Forensic" reconstruction of the historic drilling and geochemical database for the Dianne deposit was initiated with very good success including the retrieval and validation of a variety of original drill hole logging, assay, QA/QC, metallurgical data and relogged key sections of 16 historic drill holes stored at the Geological Survey of Queensland (GSQ) core storage facility. Over 270 samples of the core were submitted for confirmation assaying including potentially mineralized sections of core that had not been previously assayed. Samples were submitted for copper, zinc as well as cobalt and gold analysis - the latter which has not systematically been analysed at Dianne.
- The systematic approach to recovery and validation of the drill hole data for the Dianne project means that 60% to 70% of the historic 9,200 meters of drilling at Dianne will be usable in the calculation and reporting of the Initial JORC guided MRE for the project. The positive results from the re-assaying are an important supporting factor for the recovery validation and use of up to 57 historic drill holes, totalling 5912 m of drilling, in the

calculation of the Dianne IMRE. This has allowed Revolver to substantially reduce the amount of redrilling needed for the IMRE and will allowed redeployment of these phase 1 drill metres into testing of exploration targets earlier than originally anticipated.

- An integrated district scale geology and geochemistry program was undertaken at the Dianne Project. Systematic rock channel and rock chip sampling progressed from the near pit to district scale with sample teams collecting over 280 samples for analysis. Geological mapping
- Revolver commenced a diamond drill program at Dianne using Rig 58 from DDH1 Drilling in late November 2021. The first 3 holes of the initial drill program at the high-grade Dianne Copper project with significant intervals of visible copper +/- zinc mineralization intersected in all 3 holes. These drill holes were targeted to confirm the copper grade and to deliver material for metallurgical testing from the Massive Sulphide Body and near surface Green Hill Zone of fracture veinlet copper oxide and supergene sulphide mineralization for the planned IMRE. Assay results are pending for all 3 holes, however the presence of abundant visible copper and zinc mineralization in these drill holes confirms that all holes have intersected potentially significant intervals of mineralization. Drilling activities paused from mid-December and weather permitting, will continue on from January 2022.
- A comprehensive IP survey at Dianne, conducted by Zonge Engineering and Research Organisation, totalled 12.6 line kms with 100 m line spacings perpendicular to the strike trend of the Massive Sulphide Body. The survey also included 2 test lines over the new Silica Ridge Target located 1 km NNW along strike for the Dianne pit. 2D processing of some IP section lines has been completed. Once all lines are finalised the combined 2D sections will be modelled in 3D to assist with drill target selection.

Significant After Balance Date Events

Other than the following, there were no matters or circumstances which have arisen since 31 December 2021, that would be likely to materially affect the operations of the Group, or its state of affairs, not otherwise disclosed in the Group's financial report. On 1 February 2022 Revolver Resources Holdings Ltd issued 2,900,000 fully paid ordinary shares to advisors and technical consultants in lieu of fees payable for services provided to Revolver Resources Holdings Ltd in 2022.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 3.

This director's report is signed in accordance with a resolution of the Board of Directors:

Director Dated this 3rd Day of March 2022

Patrick Williams

PILOT PARTNERS
Chartered Accountants
Level 10, Waterfront Place
1 Eagle St. Brisbane 4000
PO Box 7095 Brisbane 4001
Queensland Australia
P +61 7 3023 1300
pilotpartners.com.au

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

REVOLVER RESOURCES HOLDINGS LTD

I declare that to the best of my knowledge and belief, during the period ended 31 December 2021, there have been:

i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

Pilot Partners

PILOT PARTNERS
Chartered Accountants

CHRIS KING
Partner

Signed on 3 March 2022

Level 10
1 Eagle Street
Brisbane Qld 4000

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	31 Dec 2021 $
Other income		12,900
Finance costs		(151)
Technical services		(199,322)
Depreciation expense		(2,873)
Corporate expenses		(358,034)
Share Based Payment Expense		(1,260,650)
Other expenses		(337,555)
NET OPERATING INCOME		(2,145,685)
Income tax expense		(353,907)
PROFIT / (LOSS) FOR THE PERIOD		(2,499,592)
Other comprehensive income		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(2,499,592)

EARNINGS PER SHARE		
Basic earnings per share (cents)		(0.0162)
Diluted earnings per share (cents)		(0.0162)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31 Dec 2021 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		10,515,605
Prepayments		59,838
Trade and other receivables		153,441
TOTAL CURRENT ASSETS		10,728,884
NON-CURRENT ASSETS		
Plant and equipment		18,248
Exploration and evaluation assets	3	10,995,781
Financial assets		1,096,159
TOTAL NON-CURRENT ASSETS		12,110,188
TOTAL ASSETS		22,839,072
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		172,635
TOTAL CURRENT LIABILITIES		172,635
NON-CURRENT LIABILITIES		
Related party loans payable		280,921
TOTAL NON-CURRENT LIABILITIES		280,921
TOTAL LIABILITIES		453,556
NET ASSETS		22,385,516
EQUITY		
Share capital	4	26,851,284
Retained earnings		(2,499,592)
Reserves		(1,966,176)
TOTAL EQUITY		22,385,516

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share Capital $	Retained Earnings $	Share Option Reserve $	Common Control Reserve $	Total $
Shares issued on incorporation at 14 July 2021	12,191,000	-	-	-	12,191,000
Shares issued on initial public offering at 23 September 2021	15,722,004	-	-	-	15,722,004
Share issue costs (net of tax)	(1,061,720)	-	-	-	(1,061,720)
Total comprehensive income for the year	-	(2,499,592)	-	-	(2,499,592)
Recognition of entities under common control per AASB 3	-	-	-	(3,226,826)	(3,226,826)
Recognition of share-based payments	-	-	1,260,650	-	1,260,650
BALANCE AT 31 DECEMBER 2021	26,851,284	(2,499,592)	1,260,650	(3,226,826)	22,385,516

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	31 Dec 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(648,912)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		(648,912)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash on acquisition of subsidiaries under business combinations		100
Net cash on acquisition of subsidiaries under common control		827,074
Payments for property, plant and equipment		(16,541)
Exploration and evaluation expenditure		(1,577,847)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		(767,214)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / (repayments) of related party loan		22,831
Proceeds from share issue		12,724,527
Cash costs of share issue		(815,627)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		11,931,731
Net increase / (decrease) in cash held		10,515,605
Cash at beginning of year		-
CASH AT END OF YEAR		10,515,605

The accompanying notes form part of these financial statements.

The interim financial report is the consolidated financial report for the period ended 31 December 2021 of the consolidated entity consisting of Revolver Resources Holdings Ltd and its related entities ("the Group"). Revolver Resources Holdings Ltd is a company limited by shares, incorporated and domiciled in Australia. Revolver Resources Holdings Ltd was incorporated on 14 July 2021. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The interim financial statements were authorised for issue on 3rd March 2022 by the Directors of the Group.

1. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim consolidated financial statements for period ended 31 December 2021 have been prepared in accordance with requirements of the *Corporations Act 2001*, applicable Australian Accounting Standards including AASB 134 *Interim Financial Report*, and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Continued Operations and Future Funding

The financial statements have been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary ocurse of business.

The ability of the Group to settle its liabilties and execute its currently planned exploration and evaluation activities requires the Group to raise additional funds within the next 12 months, and beyond. Because of the nature of its operations the Directors recognise that there is a need on an ongoing basis for the Group to regularly raise additional cash to fund future exploration activity and meet other necessary corporate expenditure. Accordingly, when necessary, the Group investigates various options for raising additional funds which may include but is not limited to an issue of shares, or undertaking further borrowings.

As a result, the Directors have concluded that after taking into account the various funding options available, the Directors have a reasonable expectation that the Group will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

(b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Revolver Resources Holdings Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

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

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination. Therefore, the control is not transitory.

Where an entity within the group acquires an entity under common control, the acquirer consolidates the carrying values of the acquired entity's assets and liabilities from the date of acquisition. The consolidated financial statements of the group include the acquired entity's income and expenses from the date of acquisition onwards. Any differences between the fair value of the consideration paid/transferred by the acquirer and the net assets/(liabilities) of the acquired entity are taken to the common control reserve.

(c) Income Tax

The income tax expense/ (income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current year. Current tax liabilities (assets) are measured at the amounts expected to be paid to/(recovered from) the Australian Tax Office (ATO) using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where:

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

(d) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on the straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in profit or loss.

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20%
Office Furniture and Equipment	40 - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are capitalised to the extent that they are expected to be recovered through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon the area is made.

When development and production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken in each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in *AASB 15*, paragraph 63.

Classification and Subsequent Measurement

Financial Liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

On the basis of the two primary criteria:

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

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

Equity Instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which *AASB 3* applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group’s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of Financial Liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of Financial Assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approach to impairment, as applicable under *AASB 9*:

- the simplified approach;

Simplified Approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that results from transactions that are within the scope of *AASB 15: Revenue from Contracts with Customers*, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(g) Convertible Notes

The convertible notes issued by the group automatically convert to ordinary shares upon Revolver Resources Holdings Ltd receiving conditional acceptance for admission to the ASX. Where the conversion event does not occur within 12 months of the Deed of issue of the notes, the note holder has the option to the note to a debt payable at face value, or convert into shares in the shares at the conversion ratio agreed in the Convertible Note agreement.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(h) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (ego in accordance with the revaluation model in *AASB 116: Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

(k) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recongised as income over the periods necessary to match the grant to the costs it is compensating.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(n) Share Based Payments

The Group may provide benefits to Directors, employees or consultants in the form of share-based payment transactions, whereby services may be undertaken in exchange for shares or options over shares (equity-settled transactions).

The fair value of options granted to Directors, employees and consultants is recognised as an employee benefit expense with a corresponding increase in equity (share based payments reserve). The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the options. Fair value is determined using the Black Scholes and/or Monte Carlo option pricing model. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the profit or loss. If new options are substituted for the cancelled options and designated as a replacement, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(o) Foreign Currency Transactions and Balances

Functional and Presentation Currency

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

Transactions and Balances

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

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

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

Group Companies

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

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

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position via other comprehensive income. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(p) Critical Accounting Estimates and Judgments

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

Key Judgement – Exploration Expenditure

As at the date of the financial report, no development activities have commenced. Exploration activities are not yet at a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in the areas of interest are continuing.

Key Judgement – 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 using the Black Scholes models taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

		31 Dec 2021 $
2.	INTERESTS IN SUBSIDIARIES	

Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiaries have been consolidated on a line-by-line basis in the consolidated financial statements of the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Place of Incorporation	31 Dec 2021 %
Revolver Resources Pty Ltd	Brisbane, Australia	100%
Sector Projects Pty Ltd	Brisbane, Australia	100%
Mineral Projects Pty Ltd	Brisbane, Australia	100%
Sector Projects Australia Pty Ltd	Brisbane, Australia	100%
Tableland Resources Pty Ltd	Brisbane, Australia	100%

3.	EXPLORATION AND EVALAUTION ASSETS	
	Exploration expenditure capitalised:	
	- Exploration and evaluation	10,995,781
	TOTAL EXPLORATION AND EVALUATION ASSETS	10,995,781
A)	MOVEMENTS IN EXPLORATION AND VALUATION ASSETS	
	Opening balance	-
	Capitalised exploration, evaluation expenditure	1,295,853
	Increases from business combinations	348,115
	Increases from common control transactions	9,351,813
	Impairment of exploration assets	-
	CARRYING AMOUNT AT 31 DECEMBER	10,995,781
B)	The recovery of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation of the respective areas of interest.	

		31 Dec 2021 $
4.	ISSUED CAPITAL	
	219,622,612 fully paid ordinary shares	27,913,004
	Share issue costs (net of tax)	(1,061,720)
	TOTAL ISSUED CAPITAL	26,851,284
A)	ORDINARY SHARES	
	Balance at the beginning of the reporting period	-
	Shares issued during the year:	
	- 14 July 2021	91,599,979
	- 23 September 2021	128,022,633
	BALANCE AT REPORTING DATE	219,622,612

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

B) CAPITAL MANAGEMENT

Exploration companies such as Revolver Resources Holdings Ltd are funded primarily by share capital. The Group's debt and capital comprises its share capital and financial liabilities supported by financial assets.

Management controls the capital of the Group to ensure that it can fund its operations and continue as a going concern. No dividend will be paid while the Group is in exploration stage. There are not externally imposed capital requirements. Other than the use of borrowings in the year there are no changes to the Group's capital management policy.

5. BUSINESS COMBINATIONS

On 23 September 2021, Revolver Resources Holdings Ltd acquired 100% of the issued share capital of Tableland Resources Pty Ltd as part of the IPO on the ASX. The transaction was completed through a share exchange with the previous shareholders of Tableland Resources Pty Ltd who received 45,900,000 shares in Revolver Resources Holdings Ltd as consideration.

Revolver Resources Holdings Ltd holds 100% of the voting shares in Tableland Resources Pty Ltd. Tableland Resources Pty Ltd is a mining exploration company and holds tenements in the Dianne Project.

A) CONSIDERATION TRANSFERRED

	Tableland Resources Pty Ltd $
Shares issued	833,000
TOTAL CONSIDERATION	833,000

B) ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF ACQUISITION

	Tableland Resources Pty Ltd $
Cash and cash equivalents	100
Trade and other receivables	27,836
Financial assets	543,746
Exploration expenditure	348,115
Related party loans payable	(86,797)
NET IDENTIFIABLE ASSETS	833,000

6. COMMON CONTROL TRANSACTION

On 14 July 2021, Revolver Resources Holdings Ltd acquired 100% of the issued share capital of Revolver Resources Pty Ltd, thereby obtaining control of Revolver Resources Pty Ltd and it's subsidiaries. The transaction was completed through a share exchange with the previous shareholders of Revolver Resources Pty Ltd receiving 91,599,979 shares in Revolver Resources Holdings Ltd as consideration.

Revolver Resources Holdings Ltd holds 100% of the voting shares of all subsidiaries, either directly or indirectly. All of the subsidiaries acquired during the period are mining exploration companies and hold tenements in either the Dianne Project and Osprey Project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

A) CONSIDERATION TRANSFERRED

	Revolver Resources Pty Ltd $
Shares issued	9,868,899
TOTAL CONSIDERATION	9,868,899

B) ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF ACQUISITION

	Revolver Resources Pty Ltd $
Cash and cash equivalents	827,074
Trade and other receivables	214,602
Financial assets	551,913
Exploration expenditure	9,351,813
Plant and equipment	6,083
Trade and other payables	(129,206)
Convertible notes	(650,000)
Related party loans payable	(303,380)
NET IDENTIFIABLE ASSETS	9,868,899

In April 2021 Revolver Resources Pty Ltd issued 13,000,000 convertible notes to sophisticated investors at $0.05 per convertible to raise funding prior to the initial public offering of Revolver Resources Holdings Ltd.

Upon Revolver Resources Holdings Ltd receiving conditional admission from the ASX in September 2021, the convertible notes automatically converted into 13,000,000 ordinary shares in Revolver Resources Holdings Ltd. In addition, 13,000,000 options in Revolver Resources Holdings Ltd were issued to the convertible note holders.

7. EVENTS AFTER THE INTERIM PERIOD

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 1 February 2022 Revolver Resources Holdings Ltd issued 2,900,000 fully paid ordinary shares to advisors and technical consultants in lieu of fees payable for services provided to Revolver Resources Holdings Ltd in 2022.

8. SEGMENT INFORMATION

The operating segments are identified by management based on the nature of activity undertaken by the Group. The Group operates entirely in one operating business segment being the activity of mineral exploration.

	31 Dec 2021 $
9. SHARE BASED PAYMENTS	
Share option reserve	1,260,650

A) NATURE AND PURPOSE OF SHARE OPTION RESERVE

The share option reserve is used to recognise the grant date fair value of options and performance rights issued to employees and other service providers.

B) MOVEMENT IN RESERVES	NUMBER OF OPTIONS / RIGHTS	$
Balance at the beginning of the reporting period	-	-
30 Jul 2021 Performance Rights	20,590,000	-
23 Sep 2021 Director Options	19,998,000	732,365
23 Sep 2021 Convertible Note Options	13,000,000	528,285
BALANCE AT REPORTING DATE	53,588,000	1,260,650

C) OPTIONS / RIGHTS ON ISSUE	NUMBER	EXERCISE PRICE	EXPIRY DATE
Director Options	19,998,000	$0.20	23-09-26
Convertible Note Options	13,000,000	$0.20	23-09-26
Performance Rights – Tranche A	6,863,334	Nil	23-09-26
Performance Rights – Tranche B	6,863,334	Nil	23-09-26
Performance Rights – Tranche C	6,863,332	Nil	23-09-26
TOTAL OPTIONS / RIGHTS ON ISSUE	53,588,000		

D) DESCRIPTION OF SHARE BASED PAYMENT ARRANGEMENTS

Performance Rights

On 30 July 2021 an aggregate of 20,590,000 Performance Rights were issued to Mr McKenna and Mr Williams in equal proportions for nil consideration. The Performance Rights will vest in three tranches as outlined below. The exercise price of each tranche is nil and all three tranches will expire on 23 September 2026. Any shares issued on exercise of the Performance Rights will be escrowed until 23 September 2023. The performance rights were deemed to have $nil value as they were issued before it was certain that Revolver Resources Holdings Ltd would proceed with listing on the ASX and, at the time of issue, it was uncertain that the performance milestones outlined below would be met in order for the performance rights to vest.

Milestone Tranches

Tranche A Milestone (6,863,334 options) - Drill results of no less than 4% Cu with an intercept of not less than 2 meters on either of the Projects, as Independently Verified by a Competent Person (First Drill Result).

Tranche B Milestone (6,863,334 options) - Drill result within the Projects of no less than 40 horizontal metres from the First Drill Result, which includes an intersection of 2% Cu with an intercept of not less than 5 metres Independently Verified by a Competent Person.

Tranche C Milestone (6,863,332 options) - Delineation of a maiden JORC Code compliant Mineral Resource at the Dianne Project which exceeds 20,000 tonnes of contained Cu with a minimum cut-off grade of 0.3% Cu Independently Verified by a Competent Person.

Convertible Note Options

On 23 September 2021 an aggregate of 13,000,000 Convertible Note Options were issued for nil additional consideration to sophisticated and professional investors pursuant to Revolver Resources Holdings Ltd seed capital funding round which raised $650,000.

The options are exercisable at 20 cents and expire on 23 September 2026. There are no specific vesting conditions attached to the Convertible Note Options. Any shares issued on exercise of the Convertible Note Options will be escrowed until 23 September 2022.

The Black-Scholes pricing model was used to calculate the fair value of the options at the time of issue. Significant inputs in the Black-Scholes pricing model include: the share price at grant date of $0.20; a risk free interest rate of 0.10%; life of the instrument of 5 years; and an annual share price volatility of 30%.

Director Options

On 23 September 2021 an aggregate of 19,998,000 Director Options were issued in equal proportions to each of the Directors, Mr McKenna, Mr Williams and Mr MacDonald, for nil consideration.

The options are exercisable at 20 cents and expire on 23 September 2026. There are no specific vesting conditions attached to the Convertible Note Options. Any shares issued on exercise of the Director Options will be escrowed until 23 September 2023.

The Black-Scholes pricing model was used to calculate the fair value of the options at the time of issue. Significant inputs in the Black-Scholes pricing model include: the share price at grant date of $0.20; a risk free interest rate of 1.26%; life of the instrument of 5 years; and an annual share price volatility of 30%.

10. GROUP DETAILS

The registered office of the Group is:
Level 23
240 Queen Street,
BRISBANE QLD 4000

The principal place of business is:
Level 23
240 Queen Street,
BRISBANE QLD 4000

DIRECTORS' DECLARATION

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 4 to 24, are in accordance with the *Corporations Act 2001* and:
   (a) complying with Australian Accounting AASB 134 *Interim Financial Reporting*; and
   (b) give a true and fair view of the Group's financial position as at 31 December 2021 and of its income statement for the period ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Director Dated this 3rd Day of March 2022

Patrick Williams

REVOLVER RESOURCES

PILOT PARTNERS
Chartered Accountants

Level 10, Waterfront Place
1 Eagle St. Brisbane 4000

PO Box 7095 Brisbane 4001
Queensland Australia

P +61 7 3023 1300

pilotpartners.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

REVOLVER RESOURCES HOLDINGS LTD

REPORT ON THE HALF YEAR FINANCIAL REPORT

We have reviewed the accompanying half year financial report of Revolver Resources Holdings Ltd ("the Company" and its subsidiaries ("the Group")), which comprises the consolidated condensed balance sheet as at 31 December 2021 and the consolidated condensed income statement, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

DIRECTORS' RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

pilot

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENCE

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if provided to the directors as at the date of this auditor's review report.

CONCLUSION

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Pilot Partners

PILOT PARTNERS
Chartered Accountants

CHRIS KING
Partner

Signed on 3 March 2022

Level 10
1 Eagle Street
Brisbane Qld 4000