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ABN 67 651 057 822

Interim Financial Report

For the period 16 June 2021, date of incorporation, to 31 December 2021

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DIRECTORS' REPORT

The Directors present their report together with the financial report of Firetail Resources Limited ("the Company") for the financial period 16 June 2021 (date of incorporation) to 31 December 2021 and the independent auditors' review report thereon.

The Directors of the Company at any time during or since the end of the period are:

Ashley Pattison	- Executive Chairman (appointed 16 June 2021)
Simon Lawson	- Non-executive Director (appointed 16 June 2021)
Frank Bierlein	- Non-executive Director (appointed 10 November 2021)
Stephen Brockhurst	- Non-executive Director (appointed 10 November 2021)

REVIEW OF OPERATIONS

Firetail Resources Limited ("Firetail Resources" or the "Company") was incorporated on 16 June 2021 as a subsidiary of Firefly Resources Limited ("Firefly").

On 14 October 2021 the Firefly Shareholders approved the Company's separation by demerger from Firefly through the In-specie Distribution of Shares to Firefly Shareholders on the basis of one (1) share for approximately every eleven-point nine (11.9) Firefly shares held at the record date for the Demerger (9 November 2021).

On 29 December 2021 the Company entered into an agreement to acquire 100% of the fully paid ordinary shares in Super Crusier Pty Ltd for a consideration of 12,000,000 shares in the Company. The agreement is subject a number of conditions, including the Company successfully raising a minimum of \$6,000,000 by way of an initial public offer and listing on the ASX.

The Company is in the process of lodging an Initial Public Offer Prospectus to raise the funding it requires to explore and develop its assets as an independent company separate from Firefly.

RESULTS

The loss for the period ended 31 December 2021 attributable to the Company was \$52,483.

CORPORATE

As at 31 December 2021 the Company had \$476,151 in cash and 32,500,000 fully paid ordinary shares on issue.

EVENTS SUBSEQUENT TO REPORTING DATE

On 20 January 2022 the Company obtained shareholder approval to issue 5,500,000 unlisted options exercisable at \$0.30 expiring 20 January 2025 to the Directors and Joint Company Secretaries.

Other than the above, there are no events subsequent to the end of the period that would have had a material effect on the Company's financial statements at 31 December 2021.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 forms part of the directors' report for the period ended 31 December 2021.

Signed in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Ashley Pattison
Executive Chairman
10 February 2022

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To the Board of Directors

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

As lead audit Partner for the audit of the financial statements of Firetail Resources Limited for the period ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Partner

Dated 10th day of February 2022
Perth, Western Australia

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	31 December 2021
		<u>\$</u>
Other income		-
Compliance and regulatory expense		(18,403)
Corporate advisory and consulting fees		(6,446)
Depreciation expense		(2,518)
Employee benefits expense		(4,600)
Other expenses		<u>(20,516)</u>
LOSS BEFORE INCOME TAX		(52,483)
Income tax expense		<u>-</u>
LOSS FOR THE PERIOD		<u>(52,483)</u>
Other Comprehensive Income		
Items that may be reclassified to profit and loss		
Fair value change in financial asset held for sale		<u>(875,000)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(927,483)</u></u>
Basic and diluted loss per share (cents)		(0.61)

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 December 2021 \$
Current Assets		
Cash and cash equivalents		476,151
Trade and other receivables		129,563
Total Current Assets		<u>605,714</u>
Non-Current Assets		
Exploration and evaluation expenditure	2	3,217,619
Financial asset available for sale	3	1,750,000
Plant & equipment		15,780
Right-of-use asset		58,066
Other receivables		96,867
Total Non-Current Assets		<u>5,138,332</u>
Total Assets		<u>5,744,046</u>
Current Liabilities		
Trade and other payables	4	149,595
Lease liabilities		33,182
Total Current Liabilities		<u>182,777</u>
Non-Current Liabilities		
Lease liabilities		24,925
Total Non-Current Liabilities		<u>24,925</u>
Total Liabilities		<u>207,702</u>
Net Assets		<u>5,536,344</u>
Equity		
Issued capital	5	6,463,827
Reserves	5	(875,000)
Accumulated losses		(52,483)
Total Equity		<u>5,536,344</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Issued Capital	Accumulated Losses	Asset Revaluation Reserve	Total Equity
	\$	\$	\$	\$
Balance at Incorporation	1	-	-	1
Comprehensive income				
Loss for the period	-	(52,483)	-	(52,483)
Fair value change in financial asset held for sale	-	-	(875,000)	(875,000)
Total comprehensive loss for the period	-	(52,483)	(875,000)	(927,483)
Transactions with owners, in their capacity as owners				
Shares issued	6,499,999	-	-	6,499,999
Share issue costs	(36,173)	-	-	(36,173)
Total transactions with owners, in their capacity as owners	6,463,826	-	-	6,463,826
Balance at 31 December 2021	6,463,827	(52,483)	(875,000)	5,536,344

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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021

	31 December 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(21,182)
NET CASH USED IN OPERATING ACTIVITIES	(21,182)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for exploration expenditure	-
NET CASH USED IN INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds as a result of demerger	500,000
Lease repayments	(2,667)
NET CASH PROVIDED BY FINANCING ACTIVITIES	497,333
Net increase in cash held	476,151
Cash at the beginning of the financial period	-
CASH AT THE END OF THE FINANCIAL PERIOD	476,151

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The interim financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report does not include all of the information required for a full annual financial report.

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

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

These interim financial statements were authorised for issue on 10 February 2022.

(A) GOING CONCERN

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

The Company incurred a loss for the year of \$52,483 and nil cash inflows.

As at 31 December 2021, the Company has a working capital deficit of \$422,937.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

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

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(B) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(C) ACCOUNTING POLICIES

The accounting policies and methods of computation in this interim financial report have been prepared using the following accounting policies:

i. Income Tax

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

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

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

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

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

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

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

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

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

ii. Current and Non-current Classification

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

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

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

iii. Exploration and Evaluation Expenditure

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

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

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

Costs of site restoration are provided over the life of the facility 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 clauses of the mining 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 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 period of abandoning the site.

iv. Impairment of Assets

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

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

v. **Equity-settled Compensation**

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Trinomial pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

vi. **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 principal market; or in the absence of a principal market, in the most advantageous market.

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

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

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

vii. **Issued Capital**

Ordinary shares are classified as equity.

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

viii. **Cash and Cash Equivalents**

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

ix. **Trade and Other Receivables**

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

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

x. **Trade and Other Payables**

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

xi. **Goods and Services Tax (GST)**

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

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

xii. **Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased asset, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

xii. Leases (Continued)

Operating lease payments, if they are short term leases or less than AUD\$5,000, are charged to profit or loss on a straight-line basis over the term of the lease.

(D) NEW AND REVISED STANDARDS AND AMENDMENTS THEREOF AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT PERIOD THAT ARE RELEVANT TO THE ENTITY

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have a significant impact on the entity.

2. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2021
	\$
Exploration and evaluation assets	
Balance at incorporation	-
Exploration assets from demerger	3,217,619
Impairment of exploration costs	-
Balance at the end of reporting period	<u>3,217,619</u>

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Company conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

3. FINANCIAL ASSET AVAILABLE FOR SALE

	31 December 2021
	\$
Non-current	
Shares in listed company at market value	1,750,000
Balance at the end of reporting period	<u>1,750,000</u>

The Company holds 6,250,000 shares in Forrestania Resources Ltd. The net change in fair value on the financial asset was a loss of \$875,000.

4. TRADE AND OTHER PAYABLES

	31 December 2021
	\$
Current	
Trade creditors	55,395
Accruals	94,200
Balance at the end of reporting period	<u>149,595</u>

5. ISSUED CAPITAL & RESERVES

		31 December 2021 \$
Issued capital	(a)	6,463,827
Asset revaluation reserve	(b)	<u>(875,000)</u>

(a) Reconciliation of movement during the period:

	Shares	\$
Opening balance on incorporation	1	1
Shares issued to shareholders of Firefly pursuant to the In-specie Distribution – 10 November 2021	29,282,499	5,856,499
Shares issued to Gascoyne Resources Ltd as consideration for the Dalgaranga Lithium Rights – 10 November 2021	3,217,500	643,500
Costs of share issue	-	(36,173)
	<u>32,500,000</u>	<u>6,463,827</u>

(b) Movement in asset revaluation reserve

	31 December 2021 \$
Opening balance	-
Net change in fair value of financial asset held for sale (Note 3)	<u>(875,000)</u>
Closing Balance	<u>(875,000)</u>

(c) Outstanding Unlisted Securities

As at 31 December 2021 the company had no unlisted securities outstanding.

6. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors, there were no contingent assets or liabilities during the period ended 31 December 2021.

7. COMMITMENTS

In the opinion of the directors, there were no significant changes in commitments during the period ended 31 December 2021.

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 20 January 2022 the Company obtained shareholder approval to issue 5,500,000 unlisted options exercisable at \$0.30 expiring 20 January 2025 to the Directors and Joint Company Secretaries.

There are no other events subsequent to the end of the period that would have a material effect on the Company's financial statements at 31 December 2021.

In the opinion of the Directors of Firetail Resources Limited:

- (a) The attached financial statements and notes:
- (i) comply with Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the Entity's financial position as at 31 December 2021 and of the Entity's performance, for period 16 June 2021, date of incorporation, to 31 December 2021.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Ashley Pattison
Executive Chairman
10 February 2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRETAIL RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Firetail Resources Limited ("the Company") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the period ended; and
 - (ii) complying with Australian Accounting Standards AASB 134: *Interim Financial Reporting and Corporations Regulations 2001*.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

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

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 (b) in the financial report which indicates that the Company incurred a net loss of \$52,483 during the period ended 31 December 2021. As stated in Note 1 (b), these events or conditions, along with other matters as set forth in Note 1 (b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company 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 Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD


CHRIS NICOLOFF CA
Partner

Dated 10th day of February 2022
Perth, Western Australia

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DIRECTORS

Ashley Pattison (Executive Chairman)
Simon Lawson (Non-executive Director)
Frank Bierlein (Non-executive Director)
Stephen Brockhurst (Non-executive Director)

JOINT COMPANY SECRETARIES

David McEntaggart
Craig McNab

REGISTERED OFFICE

T2, 64-68 Hay Street
Subiaco WA 6008

SHARE REGISTRY

Automic
Level 5, 191 St Georges Terrace
Perth WA 6000

AUDITORS

Hall Chadwick WA Audit Pty Ltd
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