



Octava Minerals Limited

(Previous name: 8 Au Limited)

ACN 644 358 403

Financial Statements

For the Period

from 30 June 2021 to 31 December 2021

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Company Particulars

Directors:

Clayton Dodd – Chairman
Bevan Wakelam – Executive Director
Damon O'Meara - Non-Executive Director

Managing Director and Chief Executive Officer

Bevan Wakelam
Email: Bevan.Wakelam@OctavaMinerals.com

Company Secretary and Chief Financial Officer:

David McBain
Email: David.McBain@OctavaMinerals.com

Auditors:

McLean Delmo Bentleys Audit Pty Ltd
Level 3, 302 Burwood Road, Hawthorn, Victoria, 3122

Registered Office:

At the offices of McBain McCartin & Co Business Services Pty Ltd
Level 1, 123 Whitehorse Road, Balwyn, Victoria, 3103
Telephone: (03) 9817 0700
Fax: (03) 9817 0799

Principal Place of Business:

Level 1, 234 Churchill Ave, Subiaco WA 6008
Telephone: (08) 9218 8878

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OCTAVA MINERALS LIMITED

ACN 644 358 403

Directors' Report

Directors:

Names of Directors of Octava Minerals Limited ('Company' or 'Octava') during or since 1 July 2021 up to the date of this report:

Clayton Dodd – Chairman – appointed 22/9/2021
Bevan Wakelam – Managing Director – appointed 16/12/2021
Damon O'Meara - Non-Executive Director
Bryan J Frost – Director - resigned 7/12/2021
Michael Quinert - Director - resigned 22/9/2021

Chief Executive Officer

Bevan Wakelam

Company Secretary and Chief Financial Officer:

David McBain

Particulars of each person's experience and qualifications are set out in this report.

Name Change

The Company changed its name from 8 Au Limited to Octava Minerals Limited on 9 February 2022.

Principal Activities:

The current principal activities of the Company since date of incorporation have been:

- exploration of mining tenements;
- preparation of a Prospectus to raise capital for exploration; and
- expand activities in exploring for lithium, gold and base metals.

The proposed principal activity of the Company when Octava lists on ASX is exploration for lithium, gold and base metals at mining tenements in Western Australia.

Operating Results:

The Company incurred a net loss of (\$1,068,983) for the period 1 July 2021 to 31 December 2021 (net loss for the period 15 September 2020 to 30 June 2021 (\$522,207)) and a net cash inflow after operating, investing and financing activities of \$7,561 (30 June 2021 net cash inflow \$24,375). Deficiency in net assets of the Company at 31 December 2021 was (\$75,560) (30 June 2021 net assets were \$43,193). The Company has predominantly been involved in preliminary exploration of tenements and the preparation of a prospectus to raise capital to explore for gold and base metals.

Likely Developments and Expected Results:

The Company is proposing to list on Australian Securities Exchange Limited (ASX) and is preparing a Prospectus to raise between \$5,000,000 to \$6,000,000.

Significant changes in the state of affairs:

In the opinion of the Directors, there have been no significant changes in the state of affairs of the Company since date of incorporation not otherwise disclosed in this Report and financial statements.

Environmental Issues:

The Company's operations are not currently subject to environmental regulations or issues.

Directors' Report

Information Relating to Directors, CEO and Company Secretary:

Clayton Dodd	Chairman
<i>Qualifications:</i>	Chartered Accountant
<i>Experience</i>	Mr Clayton Dodd is a chartered accountant with more than 35 years' experience in finance and the resources sector in Australia, South Africa, South America, the UK and North America. Mr Dodd has been involved in a myriad of public companies listed on AIM, the ASX, the TSX and the JSE, usually through appointments to Board positions and as a founding shareholder. Mr Dodd has had extensive experience in capital raising, marketing, and creating and developing newly listed companies. Mr Dodd is the current Executive Chairman of Podium Minerals Limited (ASX:POD).
<i>Interest in shares and options</i>	Entitlement to Performance Rights to receive a total of 1,000,000 fully paid ordinary shares in the capital of the Company for nil consideration upon the conversion of each Performance Right once vested subject to the satisfaction of the applicable vesting conditions. Refer Directors Report section on Key Management Personnel for further information.
<i>Directorships held in other listed entities during the three years prior to the current year:</i>	Chairman of Podium Minerals Limited (ASX:POD).
<i>Length of service:</i>	Appointed to the Board on 22 September 2021.
Bevan Wakelam	Managing Director and Chief Executive Officer
<i>Qualifications:</i>	Bachelor of Science from Curtin University, Perth, Western Australia and Graduate Diploma in Applied Finance & Investment with FINSIA.
<i>Experience:</i>	Mr Wakelam is a resource industry executive with over 25 years' experience as a Geologist and Resources Marketing Executive. He has a diverse skill set, gained from senior geological and marketing roles across a number of commodities including Iron Ore, Manganese and Industrial Minerals. He spent over 10 years with Rio Tinto and was part of the start-up team at Roy Hill Iron Ore. He has extensive experience in resource evaluation, project development, due diligence and commodity sales & marketing. His previous roles have also included assessment of resource projects throughout China, SE Asia, India and South America.
<i>Interest in shares and options:</i>	100,000 ordinary shares. Entitlement to Performance Rights to receive a total of 1,500 000 fully paid ordinary shares in the capital of the Company for nil consideration upon the conversion of each Performance Right once vested subject to the satisfaction of the applicable vesting conditions. Refer Directors Report section on Key Management Personnel for further information.
<i>Special responsibilities:</i>	Managing Director and Chief Executive Officer.
<i>Directorships held in other listed entities during the three years prior to the current year:</i>	Nil
<i>Length of service:</i>	Appointed to the Board on 16 December 2021.
Damon O'Meara	Non-Executive Director
<i>Qualifications:</i>	Bachelor of Education, Diploma of Teaching.

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Directors' Report

Experience: Over 40 years experience in the mining industry, having worked for Denis O'Meara Prospecting and former ASX-Listed Miralga Mining NL. Denis O'Meara Prospecting founders of Atlas Iron, Kalamazoo Resources and De Grey Mining. Co-founder of Outback Trees of Australia which has been contracting to prominent mining groups Rio Tinto, BHP, FMG, Chevron, Woodside, Mineral Resources and others for over 30 years, currently MD of private exploration companies Great Sandy Pty Ltd and Mineral Edge Pty Ltd.

Interest in shares and options: 133,334 ordinary shares together with 300,001 options having an initial exercise price of \$0.30 increasing to \$0.60 prior to listing on ASX expiring 8 October 2025. Entitlement to Performance Rights to receive a total of 750,000 fully paid ordinary shares in the capital of the Company for nil consideration upon the conversion of each Performance Right once vested subject to the satisfaction of the applicable vesting conditions. Refer Directors Report section on Key Management Personnel for further information.

Upon listing, Damon O'Meara is entitled to 250,000 new Shares and \$10,000 as reimbursement for expenditure incurred under the Vendor Offer, which are to be issued to Great Sandy Pty Ltd, an entity associated with Damon O'Meara, in connection with the acquisition by Octava of certain rights and interests in the Eginbah tenement that Octava is acquiring.

Special responsibilities: Tenement Management.

Directorships held in other listed entities during the three years prior to the current year: First Au Limited.

Length of service: Appointed to the Board on 7 October 2020.

David W McBain **Company Secretary and Chief Financial Officer**

Qualifications: Fellow - Chartered Accountants Australia and New Zealand (FCA), member of Governance Institute of Australia, and Fellow - Australian Institute of Company Directors (FAICD), Business Studies (RMIT).

Experience: David has over 50 years of professional experience in the areas of company secretarial, business assurance and statutory audits, taxation and business advisory services.

Directors' Meetings:

The following table sets out the number of meetings the Company's Directors were eligible to attend and those meetings attended for the period 1 July 2021 to 31 December 2021:

	Number Eligible to Attend	Number Attended
Clayton Dodd	9	9
Bevan Wakelam – appointed 16/12/2021	Nil	Nil
Damon O'Meara	15	15
Bryan Frost – Resigned 7/12/2021	11	10
Michael Quinert – Resigned 22/9/2021	6	6

Indemnifying Officers or Auditor:

The Company has not, during or since the end of the financial period indemnified or agreed to indemnify an Officer or Auditor of the Company against a liability incurred as Officer or Auditor.

Dividends Paid or Recommended:

No dividend has been paid or recommended since date of incorporation.

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Directors' Report

Options and shares:

During the period:

- 4,350,000 options were converted at \$0.10 per share raising \$435,000.
- 149,495 shares were issued for services rendered.
- 2,887,500 shares were issued at \$0.16 per share raising \$462,000 with 1,443,751 attaching options based on 1 option for every two shares held. Exercise price is \$0.30 and expiry date is 2 years from listing. Refer Events after Reporting Date for changes to the terms and number of shares and options.

A share-based payment to a consultant was recognised at 31 December 2021 of 1 million shares which consolidated to 333,333 shares on 8 February 2022. A fair value of \$66,000 has been applied to these shares. The shares were issued January 2022 for services rendered and accrued during the year ended 31 December 2021.

Proceedings on behalf of the Company:

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

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

Non-audit Services:

There were no non-audit services provided to the Company by the audit firm during the period.

Auditor's Independence Declaration:

The Auditor's Independence Declaration for the period ended 31 December 2021 has been received and a copy is attached.

Key Management Personnel:

Details of Remuneration for period ended 31 December 2021:

Remuneration was paid during the period to key management personnel representing short term benefits of \$72,070 and post-employment benefits of \$7,500.

No shares or options have been issued or granted as part of remuneration during the period.

Shares and options held by a Director:

	Shares	Options
Damon O'Meara	*133,334	*300,001
Bevan Wakelam	100,000	Nil

*Note: These shares and options are after consolidation of shares and options agreed at General Meeting of shareholders held 8 February 2021. Refer section on Events After Reporting Date.

Directors Performance Rights

Directors are entitled to Performance Rights to receive fully paid ordinary shares in the capital of the Company for nil consideration upon the conversion of each Performance Right once vested subject to the satisfaction of the applicable vesting conditions.

Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:

Recipient and number of performance rights			Vesting condition	Expiry date
Bevan Wakelam	Clayton Dodd	Damon O'Meara		
500,000	333,334	250,000	The Company's Shares achieving a volume weighted average market price (as that term is defined in the Listing Rules) (VWAP)	5 years from issue

Directors' Report

Recipient and number of performance rights			Vesting condition	Expiry date
Bevan Wakelam	Clayton Dodd	Damon O'Meara		
			of at least \$0.30 calculated over 30 consecutive trading days (as that term is defined in the Listing Rules) (<i>Trading Days</i>) on which trades in Shares were recorded.	
500,000	333,333	250,000	The Company's Shares achieving a VWAP of at least \$0.50 calculated over 30 consecutive Trading Days on which trades in Shares were recorded.	5 years from issue
500,000	333,333	250,000	The Company's Shares achieving a VWAP of at least \$0.70 calculated over 30 consecutive Trading Days on which trades in Shares were recorded.	5 years from issue
1,500,000	1,000,000	750,000		

Any Performance Rights that have not vested in accordance with these terms on or before the expiry date will expire and automatically lapse and become incapable of vesting into Shares. Any Performance Rights that have vested in accordance with these terms but have not been exercised on or before the date that is the earlier of the expiry date or one year from the vesting date, will expire and automatically lapse and become incapable of converting into Shares.

Each of Clayton Dodd and Damon O'Meara are not receiving remuneration for Director services until the Company achieves Listing. Bevan Wakelam is receiving \$150,000 per annum plus statutory remuneration for his role as CEO and Managing Director.

The remuneration of the Directors on and from Listing is set out in the table below:

DIRECTOR NAME	DIRECTORS FEES (PER ANNUM)
Clayton Dodd	\$100,000
Bevan Wakelam	\$250,000
Damon O'Meara	\$60,000

Events after Reporting Date:

Pre-IPO Capital raise:

During February 2022, the Company raised \$300,000 Pre-IPO Capital to assist with ASX listing fees and working capital. Net raised after brokers fees was \$282,000.

Initial Public Offering and Agreements to acquire rights and interests in Mining Tenements:

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The Company is preparing for an initial public offering and to seek admission to the official list of ASX. The Company is currently proposing to raise between \$5,000,000 and \$6,000,000 by issuing between 25,000,000 and 30,000,000 shares at \$0.20 each in connection with seeking admission to the official list of ASX.

Agreements have been entered into by the Company to acquire various rights and interests in a number of mining tenements in connection with the proposed listing on ASX. Completion of the Agreements is subject to the satisfaction (or waiver) of conditions precedent by dates as specified in each of the respective Agreements.

The following are common conditions precedent across the Agreements:

- Octava receiving confirmation from ASX that it will admit Octava to the Official List of the ASX subject to typical administrative and completion conditions.
- The Tenements not being withdrawn or revoked prior to the completion date.
- No event occurring prior to the completion date which adversely affects the rights or interests proposed to be acquired by Octava.
- 'Completion' is when all conditions precedent have been satisfied.

Some of the Agreements have additional conditions precedent as applicable.

1) **Great Sandy Pty Ltd ('Great Sandy') Sale and Purchase Agreement:**

The Company has entered into a conditional sale and purchase agreement:

Eginbah Agreement - sale and purchase agreement dated 19 November 2020 – consideration for the acquisition of tenement E45/5022 pay the sum of \$10,000 and issue 250,000 shares in the capital of the Octava to Great Sandy.

2) **Talga Farm-In:**

- i) Octava and First Au Limited ("FAU") have entered into a farm-in and joint venture agreement ("Talga Agreement") under which Octava can earn up to an 80% interest in the tenements forming the Talga Gold and Base Metals Project located in the East Pilbara region of Western Australia ("Talga Project").
- ii) Commencement of the farm-in and joint venture is conditional upon a number of conditions being satisfied, including those noted above, due diligence and required shareholder and/or regulatory approvals being obtained.
- iii) Octava will acquire a 50.1% undivided and unencumbered interest in the tenements as a tenant in common ("Stage 1 Interest") upon:
 - (1) Octava making a payment on the date upon which all conditions precedent other than there being not material adverse event have been satisfied ("Effective Date") of a maximum of \$180,000, as reimbursement of expenditure incurred by FAU directly in connection with IP survey costs prior to the date of the Talga Agreement, at which time Octava will be deemed to have a 10% interest in the Tenements; and
 - (2) Octava incurring Expenditure of not less than \$300,000 within one (1) year of the Effective Date ("Stage 1 Period"), at which time the interest of Octava in the tenements will increase by 40.1%, from 10% to 50.1%.
- iv) If Octava earns the Stage 1 Interest, then Octava will hold an 50.1% interest and FAU will hold a 49.9% interest in the tenements as tenants in common. Subject to satisfaction of the condition's precedent, Octava is committed to incurring the Expenditure required to acquire the Stage 1.
- v) Subject to Octava earning the Stage 1 Interest, FAU grants Octava the right, but not the obligation, to acquire a further 19.9% undivided and unencumbered interest in the Tenements as a tenant in common ("Stage 2 Interest") by incurring aggregate Expenditure (inclusive of Expenditure incurred in connection with obtaining the Stage 1 Interest) of not less than \$600,000 within two (2) years of the Effective Date ("Stage 2 Period"). Octava may exercise its right to acquire the Stage 2 Interest by giving the Company notice in writing within 21 days from the end of the Stage 1 Period. In the event Octava elects to exercise its right to acquire the Stage 2 Interest, Octava is committed to incurring the Expenditure required to acquire the Stage 2 Interest.

In the event that Octava does not make an election to earn the Stage 2 Interest within 21 days from the end of the Stage 1 Period, the parties will be in a joint venture where Octava will hold a 50.1% interest and the Company will hold a 49.9% interest.

If Octava earns the Stage 2 interest then Octava will hold an 70% interest and the Company will hold a 30% interest in the Tenements as a tenants in common.

Directors' Report

- vi) Subject to Octava earning the Stage 2 Interest, FAU grants Octava the right, but not the obligation, to acquire a further 10% undivided and unencumbered interest in the Tenements as a tenant in common ("Stage 3 Interest") by incurring aggregate Expenditure (inclusive of aggregate Expenditure incurred in connection with obtaining the Stage 1 Interest and Stage 2 Interest) of not less than \$900,000 within three (3) years of the Effective Date ("Stage 3 Period"). Octava may exercise its right to acquire the Stage 3 Interest by giving the Company notice in writing within 21 days from the end of the Stage 2 Period. In the event Octava elects to exercise its right to acquire the Stage 3 Interest, Octava is committed to incurring the Expenditure required to acquire the Stage 3 Interest. In the event that Octava does not make an election to earn the Stage 3 Interest within 21 days from the end of the Stage 2 Period, the parties will be in a joint venture where Octava will hold a 70% interest and the Company will hold a 30% interest. If Octava earns the Stage 3 interest then Octava will hold an 80% interest and the Company will hold a 20% interest in the Tenements as a tenants in common. From the point at which Octava earns the Stage 3 Interest, the Company will be free-carried through to a decision to mine in respect of the Talga Project.
- vii) References above to "Expenditure" means all outgoing (including rents, rates, survey fees and other fees and charges under any applicable legislation or otherwise directly connection with the Tenements) and all costs and expenses incurred by or on behalf of Octava in respect of any activity directly connected to the discovery, location and delineation of minerals on the Tenements and any activities which are reasonably incidental thereto including, without limitation, undertaking feasibility studies, drilling, maintaining the Tenements and accessing the land on which the Tenements are located.

3) **Rich Well Share Sale Agreement:**

- i) The Company has entered into a binding but conditional Share Purchase Agreement ("SPA") to acquire all of the issued capital of Rich Well Resources Pty Ltd ("Rich Well") from Atfgold Pty Ltd and Anne Maree Richardson (collectively the "Rich Well Vendors"). Simon Paul Attwell and Brian Dudley Richardson, being the directors of Rich Well, executed the SPA to fulfill certain obligations thereunder (Guarantors). This SPA was extended to 2 May 2022 by a Deed of Variation to Share Purchase Agreement dated 15 February 2022.
- ii) The consideration payable by the Company to the Rich Well Vendors for the acquisition of all the issued capital of Rich Well comprises:
- (1) Cash consideration of \$20,000, A deposit was paid during January 2021.
 - (2) An aggregate of 5,000,000 Shares at completion of the acquisition by Octava of Rich Well.
- iii) At completion;
- (1) Rich Well Vendors will deliver the shares in the issued capital to Octava and
 - (2) Octava will deliver 5,000,000 shares in Octava to Rich Well Vendors.

Directors' Report

Consolidation of shares and options:

At a General Meeting of the Company held 8 February 2022, the following resolution was passed:

"That, for the purposes of Section 254H of the Corporations Act 2001 (Cth) and for all other purposes, the issued capital of the Company be consolidated on the basis that every three (3) fully paid ordinary shares be consolidated into one (1) fully paid ordinary share, with any resulting fractions of a share rounded up to the next whole number of shares, and with convertible securities (including exercise prices) to also be reconstituted on the same basis, as described in the Memorandum which accompanied and formed part of this Notice."

Consolidated register based on shares and options at 31 December 2021:

	Pre-Consolidation	Post-Consolidation
Shares	22,686,995	7,895,681
Options	12,393,751	4,131,268

Initial seed capital options: \$0.10 converting to \$0.20 at listing expire 5 years after issue.
10,950,000 options consolidated to 3,650,008 options. The terms of these options changed as a result of the consolidation to \$0.30 converting to \$0.60 prior to listing and expire 8 October 2025.

Share placement and attaching options: \$0.16 converting to \$0.30 at listing expiry 2 years from issue.
1,443,751 options consolidated to 481,260 options. The terms of these options changed as a result of the consolidation to \$0.48 converting to \$0.90 prior to listing and expire 2 years from listing.

Pre-IPO Capital Raise:

During February 2022, the Company raised \$300,000 Pre-IPO Capital to assist with ASX listing fees and working capital. Net raised after brokers fees was \$282,000.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.



Clayton Dodd
Chairman

Dated: 3rd March 2022

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF OCTAVA MINERALS LIMITED**

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 independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

Martin Fensome

**Martin Fensome
Partner**

Hawthorn
2 March 2022

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OCTAVA MINERALS LIMITED

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 July 2021 to 31 December 2021**

	Note	01 July 2021 to 31 Dec 2021 \$	15 Sept 2020 to 30 June 2021 \$
Administrative expenses	2	(89,380)	(65,117)
Exploration expenses		(385,384)	(251,809)
Share based payment to Consultant	9	(66,000)	-
Exploration and evaluation costs expensed	5	(226,822)	-
Prospectus expenses		(301,433)	(205,342)
Sundry income - interest		36	61
Loss before income tax		<u>(1,068,983)</u>	<u>(522,207)</u>
Tax expense	3	-	-
Net Loss for the period		<u>(1,068,983)</u>	<u>(522,207)</u>
Total comprehensive loss for the period attributable to members of the company		<u>(1,068,983)</u>	<u>(522,207)</u>

The accompanying notes form part of these financial statements.

OCTAVA MINERALS LIMITED

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 July 2021 to 31 December 2021**

	Note	31 Dec 2021 \$	30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		31,936	24,375
Other receivables	4	102,378	10,077
TOTAL CURRENT ASSETS		<u>134,314</u>	<u>34,452</u>
NON-CURRENT ASSETS			
Exploration and evaluation	5	-	226,822
Financial Asset	6	20,000	20,000
TOTAL NON-CURRENT ASSETS		<u>20,000</u>	<u>246,822</u>
TOTAL ASSETS		<u>154,314</u>	<u>281,274</u>
CURRENT LIABILITIES			
Trade and other payables		228,587	137,105
Employee entitlements		1,287	976
Borrowings	7	-	100,000
TOTAL CURRENT LIABILITIES		<u>229,874</u>	<u>238,081</u>
TOTAL LIABILITIES		<u>229,874</u>	<u>238,081</u>
DEFICIENCY IN NET ASSETS		<u>(75,560)</u>	<u>43,193</u>
EQUITY			
Issued capital	8	1,449,630	565,400
Share based Payment Reserve	9	66,000	-
Accumulated Losses		(1,591,190)	(522,207)
DEFICIENCY IN EQUITY		<u>(75,560)</u>	<u>43,193</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 July 2021 to 31 December 2021**

	Issued Capital \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total \$
Balance at date of incorporation	-	-	-	-
Loss from date of incorporation to 30 June 2021	-	-	(522,207)	(522,207)
Share capital received from investors	565,400	-	-	565,400
Balance at 30 June 2021	<u>565,400</u>	<u>-</u>	<u>(522,207)</u>	<u>43,193</u>
Loss from 1 July 2021 to 31 December 2021	-	-	(1,068,983)	(1,068,983)
Share based payment to Consultant (refer Note 9)	-	66,000	-	66,000
Share capital received from investors	911,950	-	-	911,950
Fees paid for capital raising	(27,720)	-	-	(27,720)
Balance at 31 December 2021	<u>1,449,630</u>	<u>66,000</u>	<u>(1,591,190)</u>	<u>(75,560)</u>

The accompanying notes form part of these financial statements.

OCTAVA MINERALS LIMITED

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 July 2021 to 31 December 2021**

	01 July 2021 to 31 Dec 2021	15 Sept 2020 to 30 June 2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers including prospectus costs	(394,368)	(145,248)
Exploration costs	(404,655)	(263,792)
Interest received	36	61
GST received from ATO	37,268	14,776
Net cash used in operating activities	10 <u>(761,719)</u>	<u>(394,203)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenses	-	(226,822)
Deposit paid Rich Well Resources Pty Ltd	-	(20,000)
Net cash used in investing activities	<u>-</u>	<u>(246,822)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	7 -	100,000
Proceeds from issue of shares	8 797,000	565,400
Fees paid for capital raising	(27,720)	-
Net cash provided by investing activities	<u>769,280</u>	<u>665,400</u>
Net increase/ (decrease) in cash and cash equivalents held	7,561	24,375
Cash and cash equivalents at date of incorporation	-	-
Cash and cash equivalents at 1 July 2021	24,375	-
Cash and cash equivalents at end of period	<u>31,936</u>	<u>24,375</u>

The accompanying notes form part of these financial statements.

OCTAVA MINERALS LIMITED

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 July 2021 to 31 December 2021

NOTE 1: Summary of Significant Accounting Policies

a) Corporate Information

Octava Minerals Limited ('Company' or 'Octava') is a public unlisted company, incorporated on 15 September 2020 and domiciled in Australia.

The change of the name of the Company from 8 Au Limited to Octava Minerals Limited was approved by ASIC on 9 February 2022.

The financial statements were authorised for issue by the Directors of the Company on the same date as the Directors' Report.

b) Basis of Preparation

Octava is proposing to list on ASX and a Prospectus is being prepared. An Independent Limited Assurance Report will be attached to the Prospectus which includes information from these financial statements. These audited financial statements have been prepared for that purpose. These financial statements have been prepared for the period from 1 July 2021 to 31 December 2021.

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other mandatory professional reporting requirements. The Company is a for-profit entity for financial reporting purposes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

c) Revenue & Other Income

Interest revenue is recognised using the effective interest method.

d) Goods and Services Tax (GST)

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.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

e) Income tax

The income tax expense/ (income) for the period, where stated, comprises current income tax expense/ (income).

Current income tax expense charged to the profit or loss, where stated, is the tax payable on taxable income for the current period. 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.

Current income tax expense/ (income) is charged or credited directly outside profit or loss when the tax relates to items that are recognised outside profit or loss.

A deferred tax asset has not been recognised in respect of the carry forward amount of unused tax losses at this stage as it is not possible to determine when future taxable profits will be derived.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 July 2021 to 31 December 2021

e) Income tax (Cont'd)

The benefit of tax losses will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for losses to be realised,
- the Company continues to comply with the conditions for deductibility imposed by tax legislation. This includes being able to satisfy the continuity of ownership test or the same business test which appear unlikely having regards to events noted after the reporting date; and
- no changes in tax legislation adversely affect the Company in realising the benefit from tax losses.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

g) Exploration and Development Expenditure

Exploration and evaluation assets are measured at cost and represent option fees paid, duties assessments on Agreements and Acquisitions and consideration paid to Vendors for entering into Share Purchase Agreement. Refer Note 5.

h) Impairment

At the end of each reporting period, the Company assesses exploration and evaluation assets for impairment. When facts and circumstances suggest that the carrying amount of an exploration and evaluation asset exceeds the recoverable amount, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

i) Going Concern

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

The Company subsequent to 31 December 2021 has raised \$300,000 seed capital for the purposes of funding working capital and covering ASX listing expenses and associated costs.

The Company incurred a net loss of (\$1,068,983) for the period 1 July 2021 to 31 December 2021 (net loss for the period 15 September 2020 to 30 June 2021 (\$522,207)) and a net cash inflow after operating, investing and financing activities of \$7,561 (30 June 2021 net cash inflow \$24,375). Deficiency in net assets of the Company at 31 December 2021 was (\$75,560) (30 June 2021 net assets were \$43,193).

In preparing the financial statements the Directors note that the ability of the Company to continue as a going concern is dependent upon:

- ability to raise capital from pre-IPO funds in order to fund expenses prior to listing on ASX;
- ability to raise sufficient capital from the Prospectus proposed to be lodged with ASX;
- containment of operating expenses at a level that is commensurate with the Company's level of operations; and
- enhancement of the value of exploration assets (tenements) acquired from funds raised via the Prospectus;

Covid-19 is having a significant impact on the world and Australian economy. The Directors' are continuing to monitor developments relating to Covid-19 including the implementation of laws and regulations by State and the Federal Government which may impact ongoing operations and the Company's future financial results. At this stage, there has been no material financial impact on the

On the basis of these factors, the Directors believe that the going concern basis of preparation of the financial statements is appropriate.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 July 2021 to 31 December 2021

j) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms and do not bear interest. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

k) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

l) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs.

Impairment

The simplified approach for receivables is used where the Company recognises the expected lifetime credit loss for receivables.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

m) Share Based Payments:

Equity-settled share based compensation benefits are provided to Directors, Shareholders and Consultants and represent awards of shares or options in consideration for the rendering of services or purchase of assets. The cost of equity-settled transactions are recognised as an expense with a corresponding increase in share capital or share based payment reserve.

n) Adoption of New and Revised Accounting Standards:

Based on an analysis performed to date of accounting standards for application in future periods, none of the standards on issue not yet effective would have a material impact on the reported position or performance of the Company.

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	1 July 2021 to 31 Dec 2021 \$	15 Sept 2020 to 30 June 2021 \$
2 Revenue and Expenses:		
The following expense items are relevant in explaining the financial performance for the period:		
Auditing the financial statements	6,500	12,500
Audit - other services	-	-
3 Income Tax Expense:		
The prima facie tax on net loss for period is reconciled to income tax as follows:		
Prima facie income tax on loss at 30%	(320,695)	(135,774)
Tax effect of:		
Non-allowable items	87,884	294
Benefit of tax losses not recognised	232,811	135,480
Income tax attributable to entity	<u>-</u>	<u>-</u>
<p>To be eligible for a rate of 26% the Company must satisfy a section of the Income Tax Act that requires no more than 80% of its assessable income to be classified as base rate passive income. The Company's only income source is from interest and this is regarded as base rate passive income.</p> <p>A deferred tax asset has not been recognised in respect of the carry forward of unused tax losses as at this stage it is not probable that future taxable profits will be derived.</p>		
	31 Dec 2021 \$	30 June 2021 \$
4 Other Receivables:		
ASX listing fee (relating to first listing)	90,755	-
GST receivable	11,623	10,077
	<u>102,378</u>	<u>10,077</u>
5 Exploration and Evaluation		
Option fee paid to Matlock Geological Services Pty Ltd to acquire tenements	-	200,000
Duties assessments on Agreements and Acquisitions -	-	26,822
	<u>-</u>	<u>226,822</u>
<p>The Company has not proceeded with the Matlock Geological Services Pty Ltd Option Agreement. The option fee together with the duties assessment amounting to \$226,822 have been written off to Statement of Profit or Loss.</p>		
6 Financial Asset		
Deposit paid Rich Well Resources Pty Ltd. Refer Note 17.1.3	<u>20,000</u>	<u>20,000</u>
7 Borrowings:		
Unsecured loan from a shareholder & Director	-	100,000
This loan was converted to share capital during the period 1 July 2021 to 31 December 2021	<u>-</u>	<u>100,000</u>

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	31 Dec 2021	30 June 2021
	\$	\$
8 Issued Capital and Options:	<u>1,449,630</u>	<u>565,400</u>
Capital received from investors		
Balance at 30 June 2021	565,400	565,400
Options converted to share capital	435,000	-
Share based payment for services rendered	14,950	-
Share placement	462,000	-
Fees paid for capital raising	(27,720)	-
Refer Note 16.2 for 1:3 consolidation of shares after balance date.	<u>1,449,630</u>	<u>565,400</u>

Number of shares & Options

	No. of shares	No. of Options
Balance at 30 June 2021	15,300,000	15,300,000
Options converted to share capital	4,350,000	(4,350,000)
Share based payment for services rendered	149,495	-
Share placement and attaching options	2,887,500	1,443,751
Refer Note 17.2 for 1:3 consolidation of option after balance date.	<u>22,686,995</u>	<u>12,393,751</u>

Refer Note 17.2 for further information relating to 1:3 consolidation of shares and options after balance date. Options were granted to seed capital investors based on 1 option for each shares held. These options have an exercise price of \$0.10 which will automatically increase to \$0.20 immediately prior to the Company becoming listed. The expiry date of the options is 8 October 2025. Refer Note 17.2 for changes to the terms and number of option;

A share placement was undertaken during the period with attaching options based on 1 option for every two shares held. Exercise price is \$0.30 and expiry date is 2 years from listing. Refer Note 17.2 for changes to the terms and number of options.

	31 Dec 2021	30 June 2021
	\$	\$
9 Share based Payment Reserve	<u>66,000</u>	<u>-</u>

A share-based payment to a consultant was recognised at 31 December 2021 of 1 million shares which consolidated to 333,333 shares on 8 February 2022. A fair value of \$66,000 has been applied to these shares. The shares were issued January 2022 for services rendered and accrued during the period ended 31 December 2021.

	1 July 2021 to 31 Dec 2021	15 Sept 2020 to 30 June 2021
	\$	\$
10 Cash Flow Information		
Net loss for the period	(1,068,983)	(522,207)
Non cash items:		
Exploration and evaluation - tenement acquisition costs expensed	226,822	-
Share based payment for services rendered pre June 2021	14,950	
Share based payment for services rendered. Refer Note 9	66,000	
Changes in assets and liabilities:		
(Increase)/Decrease other receivables	(92,301)	(10,077)
Increase/(Decrease) in employee entitlements	311	976
Increase/(Decrease) in trade and other payables	91,482	137,105
Net cash used in operating activities	<u>(761,719)</u>	<u>(394,203)</u>

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11 Operating Segments:

The Company has one operating and reporting segment being exploration for lithium, gold and base metals in Western Australia.

12 Related Party Transactions:

Remuneration was paid during the period to key management personnel representing short term benefits of \$72,070 and post-employment benefits of \$7,500.

13 Financial Risk Management

Financial instruments consist mainly of deposits with banks, other receivables and trade and other payables.

Financial Risk Management Policies:

The use of financial instruments is governed by policies approved by the Board of Directors. The Directors are responsible for managing treasury requirements.

Financial Risk Exposures:

The main risk the Company is exposed to through its financial instruments are interest rate risk and liquidity risk. Due to the current low rates of interest, it is not considered the Company has exposure to interest rate risk.

Liquidity risk:

The Board manages liquidity risk by monitoring cash flows and maintaining sufficient cash to meet operational requirements.

Directors manage cash flow requirements by:

Containing operating expenses at a level that is commensurate with the Company's level of operations;

Raising sufficient capital; and

Managing cash expended on exploration and evaluation tenements.

Financial liability maturity analysis:

All liabilities of the current period are due to be paid within three months. No liabilities extend beyond this period.

Credit risk:

The only receivables are GST receivables and therefore an expected credit loss has not been recognised.

The Board monitors credit risk by actively assessing the quality of counterparties. The Company's cash at bank and bank deposits are placed with reputable banks with good credit ratings.

Sensitivity Analysis:

The Directors do not believe that any reasonably possible movement in the interest rate would cause a material impact on the reported result for the period.

Fair Values:

Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying amounts are equivalent to fair value.

14 Critical Accounting Estimates and Judgements:

As the Company has recently been incorporated, the Directors do not consider there are impairment triggers that would require re-assessment of capitalised costs recognised as exploration and evaluation. The estimate and judgement is the recoverability of the exploration and evaluation cost which assume a reasonable expectation of future events such as the Company being listed on

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15 Contingent Liabilities:

There were no known contingent liabilities at the date of this report, with the exception of costs associated with the capital raising and listing on ASX proceeding. The costs of the offer which include brokerage fees, legal fees, ASX listing fees and other associated costs. Refer Note 16.

16 Commitments:

The following commitments are contingent on the Company receiving confirmation from ASX that it will admit Octava to the Official List of the ASX subject to typical administrative and completion conditions which include the completion of the Equity Offer under the Prospectus.

	Note	\$
Eginbah Agreement	17.1.1	10,000
First Au Agreement for Talga Farm-In	17.1.2	180,000
Rich Well Agreement	17.1.3	-
		<u>190,000</u>

Department of Mines, Industry, Regulation and Safety of Western Australia determine the yearly expenditure commitments in relation to exploration licences. These commitments will become the responsibility of the Company following listing with ASX. It is a condition of the licence that the Company incur the following minimum level of expenditure in order to retain present interests in Mining Tenements.

<i>The approximate minimum level of expenditure requirements are set out in the following:</i>	\$
Within one year	367,000
One year or later and no later than five years	<u>2,442,000</u>

Anticipated costs of the offer:

ASX listing fees and other associated costs are estimated to be in the range of \$460,000 to \$530,000 depending on the amount of capital raised which is in the range of \$5 million to \$6 million.

OCTAVA MINERALS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2021 TO 31 DECEMBER 2021

17 Events after Reporting Date:

17.1: Initial Public Offering and Agreements to acquire rights and interests in Mining Tenements:

The Company is preparing for an initial public offering and to seek admission to the official list of ASX. The Company is currently proposing to raise between \$5,000,000 and \$6,000,000 by issuing between 25,000,000 and 30,000,000 shares at \$0.20 each in connection with seeking admission to the official list of ASX.

Agreements have been entered into by the Company to acquire various rights and interests in a number of mining tenements in connection with the proposed listing on ASX. Completion of the Agreements is subject to the satisfaction (or waiver) of conditions precedent by dates as specified in each of the respective Agreements.

The following are common conditions precedent across the Agreements:

- Octava receiving confirmation from ASX that it will admit Octava to the Official List of the ASX subject to typical administrative and completion conditions.
- The Tenements not being withdrawn or revoked prior to the completion date.
- No event occurring prior to the completion date which adversely affects the rights or interests proposed to be acquired by Octava.
- 'Completion' is when all conditions precedent have been satisfied.

Some of the Agreements have additional conditions precedent as applicable.

1) **Great Sandy Pty Ltd ('Great Sandy') Sale and Purchase Agreement:**

The Company has entered into a conditional sale and purchase agreement: Eginbah Agreement - sale and purchase agreement dated 19 November 2020 – consideration for the acquisition of tenement E45/5022 pay the sum of \$10,000 and issue 250,000 shares in the capital of the Octava to Great Sandy.

2) **Talga Farm-In:**

- Octava and First Au Limited ("FAU") have entered into a farm-in and joint venture agreement ("Talga Agreement") under which Octava can earn up to an 80% interest in the tenements forming the Talga Gold and Base Metals Project located in the East Pilbara region of Western Australia ("Talga Project").
- Commencement of the farm-in and joint venture is conditional upon a number of conditions being satisfied, including those noted above, due diligence and required shareholder and/or regulatory approvals being obtained.
- Octava will acquire a 50.1% undivided and unencumbered interest in the tenements as a tenant in common ("Stage 1 Interest") upon:
 - Octava making a payment on the date upon which all conditions precedent other than there being not material adverse event have been satisfied ("Effective Date") of a maximum of \$180,000, as reimbursement of expenditure incurred by FAU directly in connection with IP survey costs prior to the date of the Talga Agreement, at which time Octava will be deemed to have a 10% interest in the Tenements; and
 - Octava incurring Expenditure of not less than \$300,000 within one (1) year of the Effective Date ("Stage 1 Period"), at which time the interest of Octava in the tenements will increase by 40.1%, from 10% to 50.1%.
- If Octava earns the Stage 1 Interest, then Octava will hold an 50.1% interest and FAU will hold a 49.9% interest in the tenements as tenants in common. Subject to satisfaction of the condition's precedent, Octava is committed to incurring the Expenditure required to acquire the Stage 1.
- Subject to Octava earning the Stage 1 Interest, FAU grants Octava the right, but not the obligation, to acquire a further 19.9% undivided and unencumbered interest in the Tenements as a tenant in common ("Stage 2 Interest") by incurring aggregate Expenditure (inclusive of Expenditure incurred in connection with obtaining the Stage 1 Interest) of not less than \$600,000 within two (2) years of the Effective Date ("Stage 2 Period"). Octava

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2021 TO 31 DECEMBER 2021

may exercise its right to acquire the Stage 2 Interest by giving the Company notice in writing within 21 days from the end of the Stage 1 Period. In the event Octava elects to exercise its right to acquire the Stage 2 Interest, Octava is committed to incurring the Expenditure required to acquire the Stage 2 Interest.

In the event that Octava does not make an election to earn the Stage 2 Interest within 21 days from the end of the Stage 1 Period, the parties will be in a joint venture where Octava will hold a 50.1% interest and the Company will hold a 49.9% interest.

If Octava earns the Stage 2 interest then Octava will hold an 70% interest and the Company will hold a 30% interest in the Tenements as a tenants in common.

- vi) Subject to Octava earning the Stage 2 Interest, FAU grants Octava the right, but not the obligation, to acquire a further 10% undivided and unencumbered interest in the Tenements as a tenant in common ("Stage 3 Interest") by incurring aggregate Expenditure (inclusive of aggregate Expenditure incurred in connection with obtaining the Stage 1 Interest and Stage 2 Interest) of not less than \$900,000 within three (3) years of the Effective Date ("Stage 3 Period"). Octava may exercise its right to acquire the Stage 3 Interest by giving the Company notice in writing within 21 days from the end of the Stage 2 Period. In the event Octava elects to exercise its right to acquire the Stage 3 Interest, Octava is committed to incurring the Expenditure required to acquire the Stage 3 Interest. In the event that Octava does not make an election to earn the Stage 3 Interest within 21 days from the end of the Stage 2 Period, the parties will be in a joint venture where Octava will hold a 70% interest and the Company will hold a 30% interest. If Octava earns the Stage 3 interest then Octava will hold an 80% interest and the Company will hold a 20% interest in the Tenements as a tenants in common. From the point at which Octava earns the Stage 3 Interest, the Company will be free-carried through to a decision to mine in respect of the Talga Project.
- vii) References above to "Expenditure" means all outgoing (including rents, rates, survey fees and other fees and charges under any applicable legislation or otherwise directly connection with the Tenements) and all costs and expenses incurred by or on behalf of Octava in respect of any activity directly connected to the discovery, location and delineation of minerals on the Tenements and any activities which are reasonably incidental thereto including, without limitation, undertaking feasibility studies, drilling, maintaining the Tenements and accessing the land on which the Tenements are located.

3) **Rich Well Share Sale Agreement:**

- i) The Company has entered into a binding but conditional Share Purchase Agreement ("SPA") to acquire all of the issued capital of Rich Well Resources Pty Ltd ("Rich Well") from Attgold Pty Ltd and Anne Maree Richardson (collectively the "Rich Well Vendors"). Simon Paul Attwell and Brian Dudley Richardson, being the directors of Rich Well, executed the SPA to fulfill certain obligations thereunder (Guarantors). This SPA was extended to 2 May 2022 by a Deed of Variation to Share Purchase Agreement dated 15 February 2022.
- ii) The consideration payable by the Company to the Rich Well Vendors for the acquisition of all the issued capital of Rich Well comprises:
- (1) Cash consideration of \$20,000, A deposit was paid during January 2021.
 - (2) An aggregate of 5,000,000 Shares at completion of the acquisition by Octava of Rich Well.
- iii) At completion;
- (1) Rich Well Vendors will deliver the shares in the issued capital to Octava and
 - (2) Octava will deliver 5,000,000 shares in Octava to Rich Well Vendors.

OCTAVA MINERALS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2021 TO 31 DECEMBER 2021

17.2: Consolidation of shares and options:

At a General Meeting of the Company held 8 February 2022, the following resolution was passed:

“That, for the purposes of Section 254H of the Corporations Act 2001 (Cth) and for all other purposes, the issued capital of the Company be consolidated on the basis that every three (3) fully paid ordinary shares be consolidated into one (1) fully paid ordinary share, with any resulting fractions of a share rounded up to the next whole number of shares, and with convertible securities (including exercise prices) to also be reconstituted on the same basis, as described in the Memorandum which accompanied and formed part of this Notice.”

Consolidated register based on shares and options at 31 December 2021:

	Pre-Consolidation	Post-Consolidation
Shares	22,686,995	7,895,681
Options	12,393,751	4,131,268

Initial seed capital options: \$0.10 converting to \$0.20 at listing expire 5 years after issue: 10,950,000 options consolidated to 3,650,008 options. The terms of these options changed as a result of the consolidation to \$0.30 converting to \$0.60 prior to listing and expire 8 October 2025.

Share placement and attaching options: \$0.16 converting to \$0.30 prior to listing and expire 2 years from listing. 1,443,751 options consolidated to 481,260 options. The terms of these options changed as a result of the consolidation to \$0.48 converting to \$0.90 at listing and expire 2 years after listing.

17.3: Pre-IPO Capital Raise:

During February 2022, the Company raised \$300,000 Pre-IPO Capital to assist with ASX listing fees and working capital. Net raised after brokers fees was \$282,000.

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DIRECTORS' DECLARATION

In accordance with a resolution of the Director of Octava Minerals Limited, the Directors of the Company

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2021 and of the performance for the period 1 July 2021 to 31 December 2021.
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and



Clayton Dodd
Chairman

Dated: 3rd March 2022

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OCTAVA MINERALS LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Octava Minerals Limited, which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and 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, the accompanying financial report of Octava Minerals Limited, is in accordance with the *Corporations Act 2001*, including:

- a) 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 then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We 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 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 given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(i), "Going Concern" in the financial report which indicates that the company incurred a net loss of \$1,068,983 for the period 1 July 2021 to 31 December 2021 and had a deficiency of assets at 31 December 2021 of \$75,560. As stated in Note 1(i), this event along with other matters as set forth in note 1(i), including any potential impact of the COVID-19 coronavirus on the company, indicate that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 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 have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OCTAVA MINERALS LIMITED (CONTINUED)**

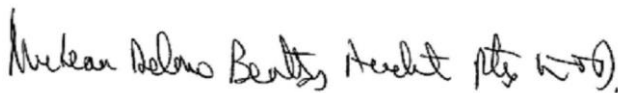
Auditor's Responsibilities for the Audit of the Financial Report

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.

We communicate with those charged with governance 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.



McLean Delmo Bentleys Audit Pty Ltd



**Martin Fensome
Partner**

**Hawthorn
7 March 2022**