



2022

ANNUAL REPORT

For The Period Ended 30th June 2022

ASX:FTL

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Firetail Resources Limited

ABN 67 651 057 822

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Firetail Resources Limited

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CORPORATE DIRECTORY

Directors	Mr Brett Grosvenor Executive Chairman
	Mr Simon Lawson Non-Executive Director
	Dr Frank Bierlein Non-Executive Director
	Mr Stephen Brockhurst Non-Executive Director
Joint Company Secretaries	Mr David McEntaggart Mr Craig McNab
Registered Office & Principal Place of Business	T2, 64-68 Hay Street Subiaco WA 6008
Postal Address	PO Box 378 West Perth WA 6872
Web Site	www.firetailresources.com.au
Share Registry	Automic Registry Pty Ltd Level 5, 191 St Georges Terrace Perth WA 6000
Auditors	Hall Chadwick WA Audit Pty Ltd 283 Rokeby Road Subiaco WA 6008
Securities Exchange Listing	ASX Code: FTL
Country of Incorporation and Domicile	Australia

Firetail Resources Limited

ABN 67 651 057 822

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

The directors present the following report on Firetail Resources Limited ('the Company') and its wholly owned subsidiary (together referred to hereafter as 'the Group') for the financial period ended 30 June 2022.

Directors

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

Brett Grosvenor	Executive Chairman (appointed 5 April 2022)
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)
Ashley Pattison	Executive Chairman (appointed 16 June 2021, resigned 5 April 2022)
Michael Edwards	Non-Executive Director (appointed 16 June 2021, resigned 10 November 2021)
Geoffrey Jones	Non-Executive Director (appointed 16 June 2021, resigned 10 November 2021)

Joint Company Secretaries

Craig McNab was appointed Company Secretary on 10 November 2021. David McEntaggart was appointed Joint Company Secretary on 13 December 2021. Natalia Teo and Steven Wood were appointed Joint Company Secretaries on 16 June 2021 and resigned on 10 November 2021.

Principal Activities

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

Operating Results

The loss of the Group for the period ended 30 June 2022 amounted to \$1,355,676.

Financial Position

As at 30 June 2022 the Group had a cash balance of \$7,364,551 and a net asset position of \$14,877,096.

Dividends Paid or Recommended

No dividends have been paid, and the directors do not recommend the payment of a dividend for the financial period ended 30 June 2022.

Corporate Governance Statement

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

Significant Changes in State of Affairs

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

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DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

Corporate

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

ORDINARY SHARES	2022
	No.
Fully Paid Ordinary Shares	77,000,000
OPTIONS	
30 cents expiring on 20 January 2025	5,500,000
30 cents expiring on 5 April 2025	1,500,000

Review of Operations

Australian battery minerals explorer, Firetail Resources Limited (Firetail or the Company) (ASX: FTL) is pleased to provide a summary of its activities for the period 16 June 2021, date of incorporation, to 30 June 2022, its first year as an ASX-listed company.

During the period, Firetail successfully completed its Entitlement Offer to raise A\$8,125,000 via the issue of 32,500,000 shares at \$0.25 per share, Firetail shares commence trading on the ASX on 14 April 2022 under ticker code FTL¹.

The Company completed reconnaissance visits and exploration activities at the Yalgoo-Dalgaranga Lithium Project², the Mt Slopeaway Nickel-Cobalt-Manganese Project² and the Paterson Copper-Gold Project³.

YALGOO-DALGARANGA LITHIUM PROJECT

Reconnaissance Trip Complete

A reconnaissance trip completed by Firetail's technical team at the outset of Q4⁴ was successful in identifying and further extending known pegmatite occurrences at the Project. Geological observations taken from multiple pegmatite dyke swarms outcropping over an extensive area of the project has given the Company greater confidence in the significant potential of the Project.

An inspection of historical lithium prospects known as "Lithium Show" and "Lithium Show South" confirmed that these pegmatite occurrences are strike extensive, and in some instances can be identified at surface over several hundred metres. These pegmatite dykes are also readily identifiable in satellite imagery, with the Company having completed a geological interpretation using satellite imagery ahead of field mapping.

While several pegmatite dyke swarms have been identified at the Project, there is considerable variability and zonation in the mineralogy of these bodies. Understanding the geochemical zonation and structural controls on these pegmatite bodies will be a key consideration in defining the areas most prospective for lithium mineralisation.

Detailed Litho-Structural Mapping

Firetail was very pleased to secure the services of highly experienced structural geologist, Dr John Beeson; engaged to undertake detailed litho-structural mapping at the Yalgoo-Dalgaranga Lithium Project. Mapping is to be undertaken on a campaign style basis, with emphasis on identifying structural controls on mineralised pegmatite bodies.

The improved understanding on mineralisation controls from surface mapping has facilitated the design of first-pass RC drilling to test the orientation and extent of outcropping pegmatite bodies. Phase 1 of a mapping campaign was completed in toward the end of the period, with Phase 2 scheduled subsequent to the period.

A Permit of Work (PoW) application for the proposed auger and drilling programs was submitted to DMIRS, with approval received late June⁴.

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FOR THE PERIOD ENDED 30 JUNE 2022



Mapping at the Yalgoo Lithium Project, May 2022

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DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

MT SLOPEAWAY PROJECT

Reconnaissance Trip Complete & Phase 1 Drill Planning Underway

The Company was active at the Mt Slopeaway Project in Queensland, with a reconnaissance trip successfully completed in early Q4². Objectives of the reconnaissance trip was primarily to meet with key stakeholders, to understand project access and logistics required for planning and implementation of future exploration work programs.

Preparation for a first phase of reverse circulation (RC) drilling program was designed, with drilling planned to commence subsequent to the period. Further work is intended to be undertaken in verifying the locations of historical drill collars ahead of planned twin drilling.

Environmental permitting approvals are currently being negotiated to enable the refurbishment of existing tracks and drill platforms to provide access to proposed drilling locations. The land access agreement was finalised subsequent to the quarter⁴.

Phillip Mackenzie, an experienced local geologist, was engaged as Senior Exploration Geologist to plan and implement drilling and other exploration work programs at the Project.

The Mt Slopeaway region is considered to be relatively underexplored by present techniques, and there is undoubtedly significant potential, both within and outside of the current tenure held by Firetail. The Company will continue to assess further potential projects or land acquisitions in the area to bolster the Company's project portfolio.

PATERSON COPPER-GOLD PROJECT

Desktop Studies and Target Generation Advancing

The Company is very pleased to have secured Leon Bagas as the Senior Exploration Geologist for the WA projects. Mr Bagas has 40 years' experience in the mineral exploration industry and is highly experienced with developing mineralisation models using geochemistry and geochronology. In particular, Mr Bagas has considerable experience in the Paterson Orogen, and will be instrumental in guiding the Company's exploration efforts at this project³.

The Firetail technical team has been undertaking comprehensive desktop studies for the Paterson project, with preliminary work including the compilation of data from open-file mineral exploration reports. Information compiled to date includes data from geophysical and geochemical surveys, with over 22,000 surface geochemical data points now integrated into a master GIS database⁴.

Compilation of these datasets has enabled a geochemical prospectivity assessment for several minerals, with areas prospective for Cu, Au, Mo, Pb, Zn and Li identified within the central leases of Firetail's Paterson Project.

A significant volume of geophysical surveys have been conducted at the Paterson Project by previous landholders and the Company is currently assessing the suitability of these surveys as a dataset to refine its prioritisation of exploration targets.

The Company has engaged a geophysical consultant to reprocess a selection of high priority geophysical datasets, with a 2.5D inversion model of the TEMPEST airborne electromagnetic (AEM) completed.

2.5D Inversion modelling of the TEMPEST AEM survey has provided an extensive and valuable dataset to use in conjunction with geochemical data for the evaluation of multiple commodities at the Paterson Project.

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DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

CORPORATE

Firetail was created via demerger from Firefly Resources Limited 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, which was 9 November 2021¹.

The Entitlement Offer provided Eligible Shareholders the opportunity to subscribe New Shares at an issue price of \$0.25. The Company received excellent support for the IPO Offer from existing shareholders of the Company, including full support from key stakeholder Gascoyne Resources Limited (ASX:GCY).

Firetail was extremely pleased to secure a A\$2 million cornerstone investment from Chinese battery materials investment company, Hong Kong Jayson Mining Co., Ltd. (Jayson)^{1,5}, owned by Chinese entrepreneur, Mr Feng Liang. Mr Liang is a leading battery materials investor, and is also the Chairman of PUTAILAI, the world's largest cathode materials producer and lithium battery recycling operator. Mr Liang is associated with Mr Zeng Yuqun, the Chairman and beneficial owner of CATL, the world's largest lithium battery cell manufacturing enterprise. Mr Zeng is a strategic shareholder in a subsidiary of Jayson that has interests in nickel, copper, cobalt and ferroalloy mines across Africa and Indonesia.

The listing of Firetail shares, following the demerger from Firefly Resources Limited, provided the Company with the capital it requires to continue to explore and develop its key assets as an independent company.

Proceeds from the Entitlement Offer will be used to fund exploration on the Company's Yalgoo-Dalgaranga Lithium Project and Paterson Copper-Gold Project in WA, and the Mt Slopeaway Nickel-Cobalt Project in QLD. The exploration program in each case is aimed at undertaking follow up drilling and identifying and assessing exploration targets in project areas that have not been effectively tested.

The Company commenced trading on the ASX on 13 April 2022 under the ticker code FTL¹.

Appointment of Senior Exploration Geologists

The Company is very pleased to have secured the following appointments:

- Melanie Leighton appointed as the Exploration Manager – Melanie is a geologist with over 20 years' experience in the mining industry, spanning multiple commodities and deposit types. Ms Leighton is a founding Director of Leighton Geoservices Pty Ltd, a consulting firm providing corporate and geological services to the mineral resources sector with the mantra of bridging the gap between technical, corporate and investor. Melanie is a Non-Executive Director of Great Boulder Resources (ASX:GBR) and Industrial Minerals (ASX:IND), and has held management and senior geological roles with Hot Chili Limited, Harmony Gold, Hill 50 Gold and Northwest Resources, gaining practical and management experience within the areas of exploration, mining and resource development, of stakeholder engagement and investor relations.
- Leon Bagas appointed as the Senior Exploration Geologist for the WA projects³. Mr Bagas has 40 years' experience in the mineral exploration industry and is highly experienced with developing mineralisation models using geochemistry and geochronology. In particular, Mr Bagas has considerable experience in the Paterson Orogen, and will be instrumental in guiding the Company's exploration efforts at this project.
- Phillip Mackenzie engaged as Senior Exploration Geologist² to assist with exploration activities at the Mt Slopeaway Project in Queensland, and will be responsible for planning and implementing drilling and other exploration work programs at the Project.

Events after the Reporting Period

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

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DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

References - ASX Announcements

This Report contains information reported in the following announcements released during the reporting period:

1. 13 April 2022 - Firetail Resources Completes Successful Entitlement Offer
2. 19 May 2022 - Reconnaissance Site Visit
3. 24 May 2022 - Paterson Copper-Gold Project Update
4. 20 July 2022 – Project and Activities Update
5. 8 August 2022 – Clarification to ASX Announcement 27 July 2022

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DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

Information on Directors

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

Mr Brett Grosvenor

Executive Chairman (appointed 5 April 2022)

Mr Grosvenor is an experienced executive with over 25 years' experience in the Mining and Energy industry. Mr Grosvenor holds a dual tertiary qualification in Engineering and a Master in Business. Mr Grosvenor was most recently the Director of development of Primero Group, focused on the development of mining projects from an initial concept through to contract delivery and operation.

Mr Grosvenor is currently a director of ASX-listed companies Perpetual Resources Ltd (ASX: PEC) and Firebird Metals Limited (ASX: FRB).

Interest in Securities

- 1,000,000 fully paid ordinary shares
- 1,500,000 unlisted options exercisable at \$0.30 and expiring on 5/04/2025

Mr Simon Lawson

Non-Executive Director (appointed 16 June 2021)

Mr Lawson holds a Master of Science in Geology from Auckland University and has more than 15 years of exploration, production and management experience in gold and base metals. He has previously held senior geology roles at major Australian gold producer Northern Star Resources Limited where, as Chief Geologist – Paulsens and then group Principal Mine Geologist, he was a founding member of the team which built the business from a junior explorer to a major multi-mine gold producer. Mr Lawson specialises in resource asset identification and the rejuvenation of operating mines. Mr Lawson has built and led teams that contributed more than 3 million ounces and in excess of 15 years mine life to several high-profile mining operations across a number of highly successful gold producers.

Mr Lawson is the Managing Director of Gascoyne Resources Limited (ASX: GCY) and is also a technical director of Labyrinth Resources Limited (ASX: LRL).

Interest in Securities

- 920,925 fully paid ordinary shares
- 1,250,000 unlisted options exercisable at \$0.30 on 20/01/2025

Dr Frank Bierlein

Non-Executive Director (appointed 10 November 2021)

Dr Bierlein has over 30 years' experience as a geologist. Dr Bierlein has held exploration and generative geology roles with QMSD Mining, Qatar Mining, Afmeco Australia and Areva NC.

Dr Bierlein is currently a Non-Executive Director of ASX-listed companies PNX Metals Ltd (ASX: PNX), Blackstone Minerals Limited (ASX: BSX) and Impact Minerals Limited (ASX: IPT).

Interest in Securities

- 40,000 fully paid ordinary shares
- 1,250,000 unlisted options exercisable at \$0.30 on 20/01/2025

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DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

Mr Stephen Brockhurst **Non-Executive Director (appointed 10 November 2021)**

Mr Brockhurst has 20 years' experience in the finance and corporate advisory industry. His experience includes corporate and capital structuring, corporate advisory and company secretarial services.

Mr Brockhurst is currently a Non-Executive Director of ASX-listed companies Nelson Resources Ltd (ASX: NES) and Locksley Resources Ltd (ASX: LKY).

Interest in Securities

- 400,000 fully paid ordinary shares
- 1,250,000 unlisted options exercisable at \$0.30 on 20/01/2025

Mr Ashley Pattison **Executive Chairman (appointed 16 June 2021, resigned 5 April 2022)**

Mr Pattison has over 25 years' experience in the resources sector from both a corporate finance and operational perspective. Mr Pattison qualified as a chartered accountant and has extensive experience in operations, finance, strategy and corporate finance. Mr Pattison has been the Managing Director of a number of listed and private mining companies over the past 20 years and also CEO of a listed mining service company. More recently, Mr Pattison was the founder of PC Gold Pty Ltd, a private equity vehicle that owns the Spring Hill gold deposit in Pine Creek, NT.

Mr Pattison is currently the Executive Chairman of PC Gold Pty Ltd, Non-Executive Chairman of Industrial Minerals Ltd (ASX: IND); and is also a Non-Executive Director of Firebird Metals Ltd (ASX: FRB) and Kogi Iron Ltd (ASX: KFE).

Interest in Securities

- 1,593,591 fully paid ordinary shares
- 1,250,000 unlisted options exercisable at \$0.30 on 20/01/2025

Mr Michael Edwards **Non-Executive Director (appointed 16 June 2021, resigned 10 November 2021)**

Mr Edwards is a geologist and economist with over 20 years' experience in senior management in both the private and public sectors. He spent three years with Barclays Australia in their Corporate Finance department and then eight years as an Exploration and Mine Geologist with companies such as Gold Mines of Australia, Eagle Mining and International Mineral Resources. Since 2010, Mr Edwards has been consulting as a geologist across a range of commodities, predominantly in Australia and Africa. In addition, he has worked as a corporate advisor and has been involved in numerous ASX listings and reverse takeovers across a range of commodities and industries. Mr Edwards holds a Bachelor of Business majoring in Economics and Finance from Curtin University of Technology and a Bachelor of Science in Geology from the University of Western Australia.

Mr Edwards is currently the Non-Executive Chairman of Greenstone Resources Limited (ASX: GSR), Executive Chairman of Auroch Minerals Limited (ASX: AOU), Non-Executive Director of DE.mem Limited (ASX: DEM). Mr Edwards was previously a Non-Executive Director of Norwood Systems Limited (ASX: NOR), Digital Wine Ventures Ltd (ASX: DW8) and Serpentine Technologies Limited (ASX: S3R).

Interest in Securities

- Nil

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DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

Mr Geoffrey Jones

Non-Executive Director (appointed 16 June 2021, resigned 10 November 2021)

Mr Jones is a Fellow of Engineers Australia, with a Bachelor of Engineering (Civil) degree. He has over 30 years' experience covering the areas of construction, engineering, mineral processing and project development. Mr Jones has been responsible for the preparation of feasibility studies for gold and base metals projects and has completed numerous project evaluations and due diligence reviews and has managed the successful development of projects both domestically and overseas. He spent over six years (1994-2001) with Resolute Limited where, as Group Project Engineer, he was responsible for the development of its mining projects in Australia, Ghana and Tanzania. On leaving Resolute Limited, he commenced the operation of his own project management and engineering consultancy, JMG Projects Pty Ltd, servicing the mining industry. In this capacity, Mr Jones has completed works on gold and base metal projects for Australian and overseas based mining groups.

Mr Jones is currently Managing Director of GR Engineering Services Limited (ASX: GNG) and a Non-Executive Director of Rumble Resources Limited (ASX: RTR) and Ausgold Limited (ASX: AUC).

Interest in Securities

- 153,217 fully paid ordinary shares

Information on Other Management

Mr Craig McNab

Joint Company Secretary (appointed 10 November 2021)

Craig McNab is a Chartered Accountant and Chartered Secretary with over 13 years' experience in the resource industry and accounting profession in Australia, New Zealand and the UK. He initially qualified as an auditor at PricewaterhouseCoopers and his experience includes senior finance positions held at the De Beers Group and various corporate roles at Anglo American plc in London. He provides services to a number of ASX-listed and unlisted companies, specialising in corporate compliance and financial accounting.

Mr David McEntaggart

Joint Company Secretary (appointed 13 December 2021)

David McEntaggart is a Chartered Accountant and Chartered Secretary with over 15 years' experience in the resource industry and accounting profession both in Australia and the UK. He provides services to a number of ASX-listed and unlisted companies, specialising in corporate compliance and financial accounting.

REMUNERATION REPORT (AUDITED)

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

Remuneration Philosophy

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

Remuneration Policy

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

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

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

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DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

Voting and Comments made at the Company's Annual General Meeting ('AGM')

The adoption of the remuneration report for the period ended 30 June 2022 will be voted for approval at the upcoming AGM. As of the date of this report, the company did not receive any specific feedback regarding its remuneration practices.

Executive Chairman Remuneration

Mr Grosvenor was appointed Executive Chairman on 5 April 2022. His remuneration is in accordance with a Consultant Services Agreement dated 23 February 2022 on an ongoing basis subject to termination and notice. Mr Grosvenor is entitled to receive \$157,680 per annum (inclusive of superannuation and plus GST) which commenced upon the Company's listing on the ASX. The Company or Mr Grosvenor may terminate the agreement by providing 3 months' notice in writing.

Non-Executive Directors Remuneration

Mr Lawson, Mr Bierlein and Mr Brockhurst are entitled to receive \$42,000 per annum (exclusive of superannuation) for their role as Non-Executive Directors. All Directors remunerations commenced upon the Company's listing on the ASX.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. Before a determination is made by the Company in a general meeting, the aggregate sum of fees payable by the Company to the Non-Executive Directors is a maximum of \$250,000 per annum. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

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

Relationship between the Remuneration Policy and Company's Performance:

	30 June 2022
	\$
Revenue	-
Loss after income tax	(1,355,676)
Basic and diluted loss per share (cents)	(4.50)
EBIT	(1,354,124)
EBITDA	(1,334,171)
Share price at reporting date	\$0.255

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DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

Details of Remuneration

Details of the nature and amount of each element of the emoluments of each of the Directors and Key Management Personnel of the Group for the period ended 30 June 2022 are:

2022 Key Management Personnel	Short- Term Benefits	Post- Employment Benefits	Other Long- Term Benefits	Equity-Settled Share Based Payments		Total	Performance Based as a Percentage of Remuneration
	Cash, Salary & Bonus \$	Super- annuation \$	Other \$	Equity \$	Options \$		\$
Directors							
Brett Grosvenor	39,420	-	-	-	177,919	217,339	0%
Simon Lawson	10,500	-	-	-	148,266	158,766	0%
Frank Bierlein	10,500	-	-	-	148,266	158,766	0%
Stephen Brockhurst	10,500	-	-	-	148,266	158,766	0%
Ashley Pattison	-	-	-	-	148,266	148,266	0%
Michael Edwards	-	-	-	-	-	-	-
Geoffrey Jones	-	-	-	-	-	-	-
TOTAL	70,920	-	-	-	770,983	841,903	-

Options Granted as Compensation

Details of options over ordinary shares in the Group that were granted as compensation during the financial period ended 30 June 2022 to each KMP are as follows:

Key Management Personnel	No. of Options Granted During the Period	Grant Date	Fair Value per Option	Exercise Price per Option	Expiry Date	No. of Options Vested During the Period
Brett Grosvenor	1,500,000	05-04-2022	\$0.1186	\$0.30	05-04-2025	1,500,000
Simon Lawson	1,250,000	20-01-2022	\$0.1186	\$0.30	20-01-2025	1,250,000
Frank Bierlein	1,250,000	20-01-2022	\$0.1186	\$0.30	20-01-2025	1,250,000
Stephen Brockhurst	1,250,000	20-01-2022	\$0.1186	\$0.30	20-01-2025	1,250,000
Ashley Pattison	1,250,000	20-01-2022	\$0.1186	\$0.30	20-01-2025	1,250,000
Total	6,500,000					6,500,000

Transactions with Directors and their Related Parties

During the period ended 30 June 2022, fees of \$77,540 were paid or due to be paid to Mining Corporate Pty Ltd, a company of which Mr Brockhurst is a Director of, for IPO management, company secretarial, accounting and bookkeeping services.

No loans have been made to any Director or any of their related parties during the 2022 financial period. There were no further transactions with Directors including their related parties other than those disclosed above.

All transactions were made on normal commercial terms and conditions and at market rates.

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DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

KMP Shareholdings

The number of ordinary shares in Firetail Resources Limited held by each KMP of the Group during the financial period is as follows:

Key Management Personnel	Date of Incorporation 16 June 2021	Granted as Remuneration	Issued on Exercise of Options	Other Changes	30 June 2022
	No.	No.	No.	No.	No.
Brett Grosvenor	-	-	-	1,000,000	1,000,000
Simon Lawson	-	-	-	920,925	920,925
Frank Bierlein	-	-	-	40,000	40,000
Stephen Brockhurst	-	-	-	400,000	400,000
Ashley Pattison	-	-	-	1,593,591	1,593,591
Michael Edwards	-	-	-	-	-
Geoffrey Jones	-	-	-	153,217	153,217
Total Shares	-	-	-	4,107,733	4,107,733

KMP Options Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial period is as follows:

Key Management Personnel	Date of Incorporation 16 June 2021	Granted as Remuneration	Exercise of Options	Other Changes	30 June 2022	Vested
	No.	No.	No.	No.	No.	No.
Brett Grosvenor	-	1,500,000	-	-	1,500,000	1,500,000
Simon Lawson	-	1,250,000	-	-	1,250,000	1,250,000
Frank Bierlein	-	1,250,000	-	-	1,250,000	1,250,000
Stephen Brockhurst	-	1,250,000	-	-	1,250,000	1,250,000
Ashley Pattison	-	1,250,000	-	-	1,250,000	1,250,000
Michael Edwards	-	-	-	-	-	-
Geoffrey Jones	-	-	-	-	-	-
Total Options	-	6,500,000	-	-	6,500,000	6,500,000

END OF REMUNERATION REPORT

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DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

Meeting of Directors

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

	Eligible to attend	Meetings attended
Brett Grosvenor	-	-
Simon Lawson	1	1
Frank Bierlein	1	1
Stephen Brockhurst	1	1
Ashley Pattison	1	1
Michael Edwards	-	-
Geoffrey Jones	-	-

Future Developments, Prospects and Business Strategies

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

Proceedings on Behalf of the Company

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

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

Environmental Issues

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

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except when there is a lack of good faith. During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditors

The Group has not, during the financial period, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial period, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Officers of the Company who are former partners of Hall Chadwick WA Audit Pty Ltd

There are no officers of the Group who are former partners of Hall Chadwick WA Audit Pty Ltd.

Firetail Resources Limited

ABN 67 651 057 822

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

Non-audit services

The following amounts were paid to the auditors of the Group, Hall Chadwick WA Audit Pty Ltd, for non-audit services provided during the period:

	2022
	\$
Non-audit services:	
Independent accountants report	12,000

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is included within and forms part of this Directors' Report for the period ended 30 June 2022.

Auditor

Hall Chadwick WA Audit Pty Ltd continues in office in accordance with s327 of the Corporation Act 2001.

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



Brett Grosvenor

Executive Chairman

Dated this 28th day of September 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 director for the audit of the financial statements of Firetail Resources Limited for the financial period ended 30 June 2022, 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 WA AUDIT PTY LTD


D M BELL CA
Director

Dated this 28th day of September 2022
Perth, Western Australia

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Firetail Resources Limited

ABN 67 651 057 822

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022**

	Note	2022 \$
Revenue		-
Expenses		
Accounting and audit fees		(20,391)
Compliance costs		(109,741)
Corporate advisory and consulting fees		(117,223)
Directors fees		(45,016)
Finance costs		(1,552)
Legal expenses		(58,770)
Share based payments	17	(830,287)
Travel expenses		(7,446)
Wages and salaries		(40,301)
Depreciation		(19,953)
Other expenses		(104,996)
Loss before income tax expense		(1,355,676)
Income tax expense	2	-
Loss after income tax for the period		(1,355,676)
Other comprehensive income net of income tax Items that may be reclassified to profit and loss		
Fair value change in financial asset held for sale	7	(1,875,000)
Total comprehensive loss for the period		(3,230,676)
Loss Per Share		
Basic and diluted loss per share (cents per share)	3	(4.50)

The accompanying notes form part of these financial statements.

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Firetail Resources Limited

ABN 67 651 057 822

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4	7,364,551
Trade and other receivables	5	126,295
TOTAL CURRENT ASSETS		7,490,846
NON-CURRENT ASSETS		
Exploration and evaluation assets	6	6,941,413
Financial asset available for sale	7	750,000
Plant and equipment	8	19,284
Right-of-use asset	9a	42,959
Other receivables	5	16,867
TOTAL NON-CURRENT ASSETS		7,770,523
TOTAL ASSETS		15,261,369
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	10	340,805
Lease liabilities	9b	33,182
TOTAL CURRENT LIABILITIES		373,987
NON-CURRENT LIABILITIES		
Lease liabilities	9b	10,286
TOTAL NON-CURRENT LIABILITIES		10,286
TOTAL LIABILITIES		384,273
NET ASSETS		14,877,096
EQUITY		
Issued capital	11	17,277,485
Share based payment reserve	12	830,287
Asset revaluation reserve	13	(1,875,000)
Accumulated losses		(1,355,676)
TOTAL EQUITY		14,877,096

The accompanying notes form part of these financial statements.

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Firetail Resources Limited

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022

2022	Issued Capital	Share Based Payment Reserve	Asset Revaluation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at Incorporation	1	-	-	-	1
Loss for the period	-	-	-	(1,355,676)	(1,355,676)
Fair value change in financial asset held for sale	-	-	(1,875,000)	-	(1,875,000)
Total comprehensive loss	-	-	(1,875,000)	(1,355,676)	(3,230,676)
<i>Transactions with owner directly recorded in equity</i>					
Shares issued	17,624,999	-	-	-	17,624,999
Share based payments	-	830,287	-	-	830,287
Share issue costs	(347,515)	-	-	-	(347,515)
Balance at 30 June 2022	17,277,485	830,287	(1,875,000)	(1,355,676)	14,877,096

The accompanying notes form part of these financial statements.

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Firetail Resources Limited

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022

	Note	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(532,225)
Net cash used in operating activities	15	(532,225)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure		(469,363)
Payments for plant and equipment		(5,832)
Net cash used in investing activities		(475,195)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		8,125,000
Proceeds as a result of demerger		613,154
Share issue costs		(347,515)
Lease repayments		(18,668)
Net cash provided by financing activities		8,371,971
Net increase in cash and cash equivalents		7,364,551
Cash and cash equivalents at the beginning of financial period		-
Cash and cash equivalents at the end of financial period	4	7,364,551

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Firetail Resources Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of Firetail Resources Limited (the "Company") and its wholly owned subsidiary (together referred to hereafter as "the Group").

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

The financial statements were authorised for issue on 28 September 2022 by the directors of the Company. The directors have the power to amend and reissue the financial statements.

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

New or amended Accounting Standards and Interpretations adopted

In the period ended 30 June 2022, the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to its operations and effective for the current annual reporting period.

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

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

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

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

Accounting Policies

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

a) **Operating Segments**

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

b) **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Firetail Resources Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 22.

Firetail Resources Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

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

c) **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 years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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Firetail Resources Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

d) 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.

e) Plant and Equipment

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

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

Plant and equipment	2-5 years
---------------------	-----------

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

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

f) Right-of-Use Assets

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

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

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

g) 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.

Firetail Resources Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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.

h) Impairment of Assets

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

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

i) Equity-Settled Compensation

The Group 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.

j) 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.

Firetail Resources Limited

ABN 67 651 057 822

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

k) 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.

l) 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.

m) 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.

n) Lease Liabilities

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

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

o) Trade and Other Payables

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

p) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

q) Other Revenue

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

r) Borrowing Costs

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

Firetail Resources Limited

ABN 67 651 057 822

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

s) **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.

t) **Critical Accounting Estimates and Judgments**

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

Share based payment transactions

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

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

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

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised and 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.

Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Coronavirus (COVID-19) pandemic

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

u) **New Accounting Standards for Application in Future Years**

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below.

Firetail Resources Limited

ABN 67 651 057 822

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

Conceptual Framework for Financial Reporting (Conceptual Framework)

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

NOTE 2: INCOME TAX EXPENSE	2022
	\$
a. Recognised in the income statement:	
Current tax	-
Deferred tax	-
Income tax as reported in the statement of comprehensive income	-
b. Reconciliation of income tax expense to prima facie tax payable:	
Loss from ordinary activities before income tax expense	(1,355,676)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	406,703
Increase / (decrease) in income tax due to:	
• Temporary differences	(14,942)
• Permanent difference	(252,826)
• Unused tax losses not recognised	(138,935)
Income tax attributable to operating profit	-

The amount of tax losses carried forward as at 30 June 2022 amount to \$138,935.

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2022 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

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

Firetail Resources Limited

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 3: LOSS PER SHARE

	2022
	Cents per share
Basic and diluted loss per share	(4.50)

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

	2022
	\$
Loss after income tax for the period	(1,355,676)

	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	30,115,790

The options outstanding are not included in the calculation of diluted loss per share because they have no dilutive effect for the period ended 30 June 2022.

NOTE 4: CASH AND CASH EQUIVALENTS

	2022
	\$
Cash at bank	7,364,551
	<u>7,364,551</u>

NOTE 5: TRADE AND OTHER RECEIVABLES

	2022
	\$
Current	
GST receivable	75,406
Prepayments	50,889
	<u>126,295</u>
Non-Current	
Other receivables	16,867
	<u>16,867</u>

There is no allowance for expected credit losses recognised for the period ended 30 June 2022.

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Firetail Resources Limited**ABN 67 651 057 822****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022****NOTE 6: EXPLORATION AND EVALUATION ASSETS**

	2022
	\$
Exploration and evaluation assets	
Balance at incorporation	-
Exploration assets from demerger	3,217,619
Exploration assets acquired ¹	3,080,000
Exploration costs capitalised	643,794
Balance at the end of the reporting period	6,941,413

¹ During the period the Company acquired 100% of the issued capital of Super Cruiser Pty Ltd for consideration of 12,000,000 shares at \$0.25 per share and payment of \$80,000 cash in exclusivity fees.

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 Group conducts impairment testing when indicators of impairment are present at the reporting date.

NOTE 7: FINANCIAL ASSET AVAILABLE FOR SALE

	2022
	\$
Shares in listed company at market value	750,000
Balance at the end of reporting period	750,000

The Company holds 6,250,000 shares in Forrester Resources Limited (ASX: FRS). The net change in fair value on the financial asset was a loss of \$1,875,000.

NOTE 8: PLANT & EQUIPMENT

	2022
	\$
Plant & equipment at cost	21,612
Plant & equipment – accumulated depreciation	(2,328)
Balance at the end of reporting period	19,284

Movement in carrying amounts:

Balance at the beginning of period	-
Additions	5,832
Plant & equipment from demerger	15,780
Depreciation	(2,328)
Balance at the end of reporting period	19,284

Firetail Resources Limited

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 9: LEASES

	2022
	\$
a) Right-of-use asset	
Balance at the beginning of the period	-
Additions	60,584
Depreciation	(17,625)
Balance at the end of the reporting period	<u>42,959</u>
b) Lease liabilities	
Office lease	<u>43,468</u>
Current	33,182
Non-Current	10,286
Total	<u>43,468</u>

NOTE 10: TRADE AND OTHER PAYABLES

	2022
	\$
Current	
Trade creditors	128,165
Accruals	205,291
Other payables	7,349
	<u>340,805</u>

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

Firetail Resources Limited**ABN 67 651 057 822****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022****NOTE 11: ISSUED CAPITAL**

	2022	2022
	No.	\$
Ordinary shares - fully paid	<u>77,000,000</u>	<u>17,277,485</u>
Movement in ordinary shares:		
Balance at incorporation	1	1
Shares issued to shareholders of Firefly Resources Limited pursuant to the In-specie Distribution –10 November 2021	29,282,499	5,856,499
Shares issued to Gascoyne Resources Limited as consideration for the Dalgarranga Lithium Rights – 10 November 2021	3,217,500	643,500
IPO Placement - 5 April 2022	32,500,000	8,125,000
Issue of shares to vendors of Super Cruiser Pty Ltd on acquisition – 5 April 2022	12,000,000	3,000,000
Share issue costs	-	(347,515)
Balance at 30 June 2022	<u>77,000,000</u>	<u>17,277,485</u>

Terms and conditions of issued capital

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

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

Capital risk management

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

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

NOTE 12: SHARE BASED PAYMENT RESERVE

	2022
	\$
Opening balance	-
Share based payment to KMP	770,983
Share based payment to advisors	59,304
Closing balance	<u>830,287</u>

The share-based payments reserves record items recognised as expenses on valuation of KMP and advisor options.

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Firetail Resources Limited

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

A summary of the movements of all options issued is as follows:

	Number	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (years)
Options outstanding on incorporation	-	-	-
Issued	7,000,000	0.30	3.0
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
Options outstanding as at 30 June 2022	7,000,000	0.30	2.6
Options exercisable as at 30 June 2022	7,000,000	0.30	2.6

See note 17 for valuation technique, assumptions and inputs.

NOTE 13: ASSET REVALUATION RESERVE

	2022
	\$
Opening balance	-
Net change in fair value of financial asset held for sale (Note 7)	(1,875,000)
Closing balance	(1,875,000)

NOTE 14: AUDITORS' REMUNERATION

	2022
	\$
Remuneration of the auditor of the Group for:	
• Audit or review of the financial report	14,500
Non-audit services:	
• Independent accountants report	12,000

NOTE 15: CASHFLOW INFORMATION

	2022
	\$
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax	
Loss after income tax	(1,355,676)
<u>Non-cash adjustment</u>	
Share based payments	830,287
Depreciation	19,953
Changes in assets and liabilities;	
Trade and other receivables	(102,572)
Trade payables and accruals	75,783
Cash used in operating activities	(532,225)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

b. Non-cash Financing and Investing Activities

During the 2022 financial period the Company had the following non-cash financing and investing activities:

- Acquisition of Super Crusier Pty Ltd on 5 April 2022 by issuance of 12,000,000 at \$0.25 per share to the vendors.

NOTE 16: TRANSACTIONS WITH RELATED PARTIES

Key Management Personnel (KMP)

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

	2022
	\$
Short-term key management personnel benefits	70,920
Share based payments (see note 17)	770,983
Total remuneration paid	841,903

Transactions with Directors and their related parties

During the period ended 30 June 2022, fees of \$77,540 were paid or due to be paid to Mining Corporate Pty Ltd, a company of which Mr Brockhurst is a director of, for company secretarial, accounting and bookkeeping services.

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

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 17: SHARE BASED PAYMENTS

The following share based payments were made during the period:

	2022
	\$
Unlisted Securities	
5,000,000 options issued to KMP exercisable at \$0.30 on or before 20 January 2025	593,065
1,500,000 options issued to KMP exercisable at \$0.30 on or before 5 April 2025	177,918
500,000 options issued to advisors exercisable at \$0.30 on or before 20 January 2025	59,304
Total	830,287

The share based payments during the period are recognised in the statement of profit or loss and other comprehensive income.

Firetail Resources Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

The options issued during the period were calculated using the Black & Scholes Option Valuation model with the following inputs:

	Options granted Range
Expected volatility (%)	80%
Risk free interest rate (%)	1.00%
Weighted average expected life of options (years)	3.0
Expected dividends	Nil
Option exercise price (\$)	\$0.30
Share price at grant date (\$)	\$0.25
Fair value of option (\$)	\$0.11861

The options issued were deemed to vest immediately and there were no other vesting conditions.

NOTE 18: CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors there were no contingent assets or liabilities as at 30 June 2022.

NOTE 19: CAPITAL AND OTHER COMMITMENTS

In order to maintain the current rights to its exploration tenements in Western Australia and Queensland, the Group is required to perform minimum exploration requirements:

	30 June 2022
	\$
Less than 12 months	1,483,225
Between 12 months and 5 years	2,756,745
5 years or more	391,186
Total	4,631,156

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

NOTE 20: OPERATING SEGMENTS

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

NOTE 21: FINANCIAL RISK MANAGEMENT

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

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

Firetail Resources Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

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

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

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

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

Financial liability and financial asset maturity analysis:

2022	Weighted Average Interest Rate	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
Non-Derivatives				
<i>Financial Assets</i>				
Cash and Cash Equivalents	1.98%	7,364,551	-	7,364,551
Trade and Other Receivables	-	126,295	-	126,295
<i>Financial Liabilities</i>				
Trade and Other Payables	-	(340,805)	-	(340,805)
Net Financial Assets		7,150,041	-	7,150,041

Market risk

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

Interest rate risk

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

Fair value of financial instruments

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

Firetail Resources Limited**ABN 67 651 057 822****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022****NOTE 22: INTEREST IN CONTROLLED ENTITIES**

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

Controlled entities	Country of incorporation	30 June 2022
Super Crusier Pty Ltd	Australia	100%

NOTE 23: PARENT ENTITY DISCLOSURES

Financial position	2022
	\$
Assets	
Current assets	7,490,846
Non-current assets	7,770,523
Total assets	<u>15,261,369</u>
Liabilities	
Current liabilities	373,987
Non-current liabilities	10,286
Total liabilities	<u>384,273</u>
Equity	
Issued capital	17,277,485
Accumulated losses	(1,355,676)
Share based payment reserve	830,287
Asset revaluation reserve	(1,875,000)
Total equity	<u>14,877,096</u>
Financial performance	
Loss for the period	(1,355,676)
Fair value change of financial asset held for sale	(1,875,000)
Total comprehensive loss for the period	<u>(3,230,676)</u>

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity

Contingent Liabilities:

The Company has no contingent liabilities as at 30 June 2022.

Other Commitments and Contingencies:

The Company has no other commitments and contingencies as at 30 June 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 24: EVENTS AFTER REPORTING PERIOD

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

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Firetail Resources Limited, the directors of the Company declare that:

1. the consolidated financial statements, notes and the remuneration report in the Directors' Report are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Group as at 30 June 2022 and of its performance, for the period ended 30 June 2022; and
 - (ii) complying with Australian Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001;
2. in the directors' opinion there are reasonable grounds to believe that Firetail Resources Limited will be able to pay its debts as and when they become due and payable;

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

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



Brett Grosvenor
Executive Chairman

Perth, 28 September 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") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its financial performance for the period then ended; and
 - (ii) complying with Australian Accounting Standards and the 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration and Evaluation</p> <p>As disclosed in note 6 to the financial statements, as at 30 June 2022, the Consolidated Entity's capitalised exploration and evaluation assets was carried at \$6,941,413.</p> <p>The recognition and recoverability of the exploration and evaluation expenditure was considered a key audit matter due to:</p> <ul style="list-style-type: none"> • The carrying value represents a significant asset of the Consolidated Entity, we considered it necessary to assess whether facts and circumstances existed to suggest the balance has been impaired; and • Determining whether impairment indicators exist involves significant judgement. 	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6"); • Assessing the Consolidated Entity's rights to tenure for a sample of tenements; • Testing the Consolidated Entity's additions to exploration and evaluation assets for the period by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; • Reviewing the agreement for the acquisition of Super Cruiser Pty Ltd, ensuring that the acquisition was accounted for in accordance with Australian Accounting Standards; • Testing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: <ul style="list-style-type: none"> ○ The licenses for the rights to explore expiring in the near future or are not expected to be renewed; ○ Substantive expenditure for further exploration in the area of interest is

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Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>not budgeted or planned;</p> <ul style="list-style-type: none"> ○ Decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale; and ○ We also assessed the appropriateness of the related disclosures in note 6 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity’s annual report for the period ended 30 June 2022, 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 Consolidated Entity 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, 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 Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or 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 Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2022. The directors of the Consolidated Entity are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Firetail Resources Limited, for the period ended 30 June 2022, complies with section 300A of the Corporations Act 2001.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 28th day of September 2022
Perth, Western Australia

Firetail Resources Limited

ABN 67 651 057 822

SHAREHOLDER INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 28 September 2022.

1. Shareholding

a. Distribution of Shareholders

(i) Ordinary share capital

- 77,000,000 fully paid shares held by 2,992 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

Category (size of holding)	Class of Equity Security		
	Number of Holders	Fully Paid Ordinary Shares	Percentage
1 - 1,000	1,652	513,572	0.67%
1,001 – 5,000	729	1,809,845	2.35%
5,001 – 10,000	205	1,566,575	2.03%
10,001 – 100,000	342	10,056,263	13.06%
100,001 – and over	64	63,053,745	81.89%
TOTAL	2,992	77,000,000	100.00%

b. The number of shareholders with less than a marketable parcel of shares is 1,950.

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

Fully Paid Ordinary Shares

Holder	Number	%
HONG KONG JAYSON MINING CO LTD	8,000,000	10.39%
GASCOYNE RESOURCES LIMITED	6,435,000	8.36%
MORAY HOLDINGS (QLD) PTY LTD	6,000,000	7.79%

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Firetail Resources Limited

ABN 67 651 057 822

SHAREHOLDER INFORMATION

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

	Name	Number Held	Percentage %
1.	CITICORP NOMINEES PTY LIMITED	16,139,122	20.96%
2.	GASCOYNE RESOURCES LIMITED	6,435,000	8.36%
3.	MORAY HOLDINGS (QLD) PTY LTD <PAUL BYRNE FAMILY A/C>	6,000,000	7.79%
4.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,668,706	4.76%
5.	WARWICK DAVID SMYTH <SMYTH DISCRETIONARY A/C>	3,000,000	3.90%
6.	JUSTIN BRENT HAINES <HAINES FAMILY A/C>	3,000,000	3.90%
7.	MR ROBERT ANDREW JEWSON	2,231,311	2.90%
8.	KITARA INVESTMENTS PTY LTD <KUMOVA #1 FAMILY A/C>	1,967,631	2.56%
9.	SPARTA AG	1,962,597	2.55%
10.	TRISTAR NOMINEES PTY LTD	1,458,113	1.89%
11.	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	1,198,898	1.56%
12.	MRS XUEQING YANG	1,003,277	1.30%
13.	SALVADOR CONSULTING PTY LTD <THE B & U FAMILY A/C>	1,000,000	1.30%
14.	MR SIMON LAWSON	920,925	1.20%
15.	MR JIUMIN YAN	908,253	1.18%
16.	TOPWEI TWO PTY LTD <TOPWEI TWO FAMILY A/C>	766,394	1.00%
17.	MR DON FORSHAW BATLEY & MR IAN COLVILLE VAUSE <THE DON FORSHAW BATLEY A/C>	695,122	0.90%
18.	SISU INTERNATIONAL PTY LTD	633,171	0.82%
19.	KONKERA PTY LTD <KONKERA FAMILY ACCOUNT>	633,171	0.82%
20.	LRD TRADING PTY LTD <LRD TRADING UNIT A/C>	550,000	0.71%
		54,171,691	70.35%

- The Name of the Joint Company Secretaries are Mr Craig McNab and Mr David McEntaggart.
- The address of the registered office and principal place of business in Australia is T2, 64-68 Hay Street Subiaco WA 6008.
- Registers of securities are held at the following address:
Automatic Registry Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000
- Stock Exchange Listing**
Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

Firetail Resources Limited

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SHAREHOLDER INFORMATION

6. Restricted Securities

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

- 3,217,500 fully paid ordinary shares, escrowed to 9 November 2022
- 12,000,000 fully paid ordinary shares, escrowed to 4 April 2023
- 500,000 options exercisable at \$0.30 expiring 20 January 2025, escrowed to 20 January 2023
- 5,000,000 options exercisable at \$0.30 expiring 20 January 2025, escrowed to 13 April 2024
- 1,500,000 options exercisable at \$0.30 expiring 5 April 2025, escrowed to 13 April 2024

7. Unquoted Securities

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

- 5,500,000 options exercisable at \$0.30 on or before 20 January 2025
- 1,500,000 options exercisable at \$0.30 on or before 5 April 2025

8. Use of Funds

Between the date of listing on ASX and the date of this report the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the Prospectus dated 25 February 2022.

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Firetail Resources Limited

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SCHEDULE OF EXPLORATION TENEMENTS

The information in the table below is current as at 28 September 2022.

Project	Tenement	FTL Current Interest
Paterson	E 45/5831	FTL 100%
Paterson	E 45/5396	FTL 100%
Paterson	E 45/5358	FTL 100%
Paterson	E 45/5391	FTL 100%
Paterson	E 45/5397	FTL 100%
Paterson	E 45/5407	FTL 100%
Yalgoo	M 59/358	FTL 100%
Yalgoo	E 59/2468	Li Rights
Yalgoo	E 59/2230	Li Rights
Yalgoo	E 59/2289	Li Rights
Yalgoo	E 59/2140-l	Li Rights
Yalgoo	P 59/2138	Li Rights
Yalgoo	P 59/2134	Li Rights
Yalgoo	E 59/2252	Li Rights
Yalgoo	M 59/384	Li Rights
Yalgoo	E 59/2284	Li Rights
Yalgoo	E 59/2077	Li Rights
Yalgoo	E 59/2456	Li Rights
Yalgoo	E 59/2458	Li Rights
Yalgoo	E 59/2295	Li Rights
Yalgoo	E 59/2469	Li Rights
Yalgoo	E 59/2364	Li Rights
Yalgoo	P 59/2040	Li Rights
Yalgoo	P 59/2042	Li Rights
Yalgoo	E 59/2150	Li Rights
Yalgoo	M 59/57	Li Rights
Yalgoo	P 59/2158	Li Rights
Yalgoo	E 59/2363	Li Rights
Yalgoo	E 59/2534	Li Rights
Yalgoo	E 59/2053	Li Rights
Yalgoo	E 59/2544	Li Rights
Yalgoo	P 59/2088	Li Rights
Yalgoo	P 59/2089	Li Rights
Yalgoo	P 59/2086	Li Rights
Yalgoo	P 59/2087	Li Rights
Edgerton	E 52/3894	Li Rights
Edgerton	E 52/3756	Li Rights
Mt Slope-away	EPM 26816	FTL 100%
Mt Slope-away	EPM 26848	FTL 100%
Yalgoo	E 59/2478	FTL 100%
Yalgoo	E 59/2543	FTL 100%

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