
MT BOPPY RESOURCES PTY LTD

ABN 78 611 963 216

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2018

MT BOPPY RESOURCES PTY LTD

ABN 78 611 963 216

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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MT BOPPY RESOURCES PTY LTD

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DIRECTORS' REPORT 30 JUNE 2018

The Directors present their report together with the accounts of Mt Boppy Resources Pty Ltd for the year ended 30 June 2018.

Directors

The directors in the office at the date of this report are:-

Dennis Peter Karp
Justin Lindsay Boylson

Principal Activities

The principal activity of the Company is to acquire and develop mining and mineral projects and undertake their operations.

Result

The operating loss after income tax attributable to the members of the company was (\$281,212) (2017: (\$1,109,182)).

Dividends

The directors did not recommend any dividends since the end of the financial period.

Review of operations

During the year, the Company has not carried on activities in relation to the proposed mineral resources projects.

State of Affairs

In the mineral resource explorations, it is not unusual expectation that the tenement approval and administrative processes with the Government will take time, particularly in securing the cooperation and participation rights with local landowners. There have been no developments with resource projects.

Environmental Regulations

The directors are not aware of any breaches in the environmental regulation during the period covered by this report.

Options

There were no options over issued shares or interest in the Company granted during or since the end of the financial year. There were no options outstanding at the date of this report.

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DIRECTORS' REPORT

30 JUNE 2018

Indemnification

The Company has not agreed to indemnify any director, officer or auditor against liabilities that may arise from their position as director, officer or auditor of the company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

Dated at Sydney this day of 30th June 2020

Signed in accordance with a resolution of the directors.



Dennis Peter Karp
Director

MT BOPPY RESOURCES PTY LTD

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AUDITORS INDEPENDENCE DECLARATION

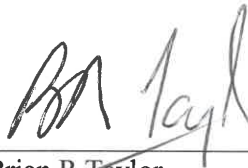
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Mt Boppy Resources Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2018 there has been:

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

Australian Audits and Corporate Services



Brian R Taylor
Registered Auditor

Date this 30th June 2020
Sydney

Limited liability by a scheme approved under Professional Standards Legislation.

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue			
Miscellaneous Income		400	182,077
Interest Income		9	42
		<u>409</u>	<u>182,119</u>
Operating Expenses		(281,621)	(1,291,301)
	2	<u>(281,212)</u>	<u>(1,109,183)</u>
Loss before income tax			
Income Tax benefit	3	-	-
		<u>(281,212)</u>	<u>(1,109,183)</u>
Loss for the year after income tax			
Other comprehensive income		-	-
		<u>(281,212)</u>	<u>(1,109,183)</u>
Total comprehensive Loss			
		<u>(281,212)</u>	<u>(1,109,183)</u>

*The Statement of Comprehensive Income is to be read in
conjunction with the notes to the financial statements*

MT BOPPY RESOURCES PTY LTD

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash	4	542	95,091
Prepayment		10,000	-
TOTAL CURRENT ASSETS		10,542	95,091
NON-CURRENT ASSETS			
Exploration and development expenditure	5	4,502,656	4,502,656
Plant and Equipment	6	251,000	251,000
TOTAL NON-CURRENT ASSETS		4,753,656	4,753,656
TOTAL ASSETS		4,764,198	4,848,747
CURRENT LIABILITIES			
Trade Creditors		233,365	34,435
Payables	7	112,641	124,336
TOTAL CURRENT LIABILITIES		346,006	158,771
NON-CURRENT LIABILITIES			
BORROWINGS			
Loan – Vendor Loan	8	4,435,601	4,426,173
PROVISIONS			
	9	1,372,982	1,372,982
TOTAL NON CURRENT LIABILITIES		5,808,583	5,799,155
TOTAL LIABILITIES		6,154,589	5,957,926
NET ASSETS/ LIABILITIES		(1,390,391)	(1,109,179)
SHAREHOLDERS' EQUITY			
Issued Shares	10	3	3
Accumulated Losses		(1,390,394)	(1,109,182)
TOTAL SURPLUS/(DEFICIENCY) OF EQUITY		(1,390,391)	(1,109,179)

*The Statement of Financial Position is to be read
in conjunction with the notes to the financial statements*

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Total equity at the beginning of the financial year	(1,109,179)	3
(Loss) for the year	(281,212)	(1,109,182)
Total equity at the end of the financial year	<u>(1,390,391)</u>	<u>(1,109,179)</u>

The above Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(103,977)	(950,411)
NET CASH USED IN OPERATING ACTIVITIES	11	<u>(103,977)</u>	<u>(950,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Plant & Equipment		-	(251,000)
Payments to Exploration and developments		-	(3,129,674)
NET CASH FROM INVESTING ACTIVITIES		<u>-</u>	<u>(3,380,674)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings raised		9,428	4,426,173
NET CASH FROM FINANCING ACTIVITIES		<u>9,428</u>	<u>4,426,173</u>
Net (Decrease)/increase in cash held		(94,549)	95,088
Cash at the beginning of the financial year		95,091	3
CASH AT THE END OF THE FINANCIAL YEAR		<u><u>542</u></u>	<u><u>95,091</u></u>

The above Cash Flow Statement is to be read in conjunction with the notes to the financial statements

MT BOPPY RESOURCES PTY LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Mt Boppy Resources Pty Ltd ("the Company") is a company incorporated and domiciled in Australia. The financial report is for the year ended 30 June 2018.

Basis of preparation

The financial report is a special purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements and notes also comply with International Financial Reporting Standards. 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 are based on historical costs, modified, where applicable, but the measurement at fair value.

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

The following is a summary of the material accounting policies adopted by The Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Application of the going concern basis

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed the company is engaged in exploration and development of a mine site in New South Wales and is expected to raise additional capital and may be required to enter into commitments in one form or another as a result.

The directors believe that it is foreseeable that the company will continue as a going concern after considering

- The ability to issue additional share capital
- The ability to enter into other forms of capital raising, or other forms of funding or debt

The directors have concluded that it is appropriate to prepare the accounts on a going concern basis, although there can be no current certainty that finance will be raised or of the sufficiency of the finance. As with many projects of this nature there remain significant uncertainties as to the timing and amount of the forecasted cash flows.

MT BOPPY RESOURCES PTY LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Income Tax

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

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

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

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

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

c) Exploration and development expenditure

Exploration and development 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 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 the result in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest. When a reasonable assessment of the existence of economically recoverable reserves is possible the accumulated costs for the relevant area of interest are allocated into development expenditure.

d) Share Capital

Ordinary shares are classified as equity.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Plant and Equipment

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the asset over the expected useful lives.

The periods generally applicable are:

Mining plant and equipment	3-15 years
Office Equipment, Fixtures and Fittings	5 years
Computers	3 years

f) Revenue and other income

Financial income comprises interest income and miscellaneous income. Interest income is recognised in the income statement as it accrues, using the effective interest rate method.

g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the assets or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows from investing or financing activities which are recoverable from or payable to taxation authority, is presented as operating cash flow.

h) Cash and cash equivalents

For cash flow statement presentation, cash and cash equivalents include cash on hand, deposits at call with financial institutions, or short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to a significant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

i) Critical accounting estimates and judgements

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
2. Operating EXPENSES		
Administration Fee	577	325
Bank charges	150	75
Consulting Fee	17,398	1,081,636
Electricity	3,497	2,170
Fuel	12,542	9,731
Insurance	-	2,867
Interest	-	2567
Rent	19,788	6,350
Rates	141,743	4,712
Licenses & Subscriptions	54,006	17,391
Legal and professional services	20,072	7,177
Lease charges	10,000	10,000
Mining /Testing services	424	138,626
Telephone	110	1,305
Travel	-	6,369
Water	1,314	-
Total Operating Expenses	<u>281,621</u>	<u>1,291,301</u>
3. INCOME TAX		
Numerical reconciliation between income tax expense and pre-tax (loss)/profit before income tax	(281,212)	(1,109,183)
Tax at the statutory tax rate of 27.50%	(77,333)	(305,025)
Current year tax losses not recognised	77,333	305,025
Income tax benefit	<u>-</u>	<u>-</u>
4. Cash		
Commonwealth Bank	19	95,091
National Australian Bank	520	-
Cash in hand	3	3
	<u>542</u>	<u>95,091</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
5. EXPLORATION AND DEVELOPMENT EXPENDITURE		
Environmental bond	1,372,982	1,372,982
Development assets	1,266,692	1,266,692
Exploration assets	1,372,982	1,372,982
Land	130,000	130,000
Stock piles and unprocessed ore	350,000	350,000
Water Access licence	10,000	10,000
	----- 4,502,656 =====	----- 4,502,656 =====
6. PLANT & EQUIPMENT		
Plant and equipment – at cost	216,000	216,000
Equipment spares	20,000	20,000
Surveying equipment	15,000	15,000
	----- 251,000 =====	----- 251,000 =====
7. PAYABLES - CURRENT		
GST Payable	112,641	124,335
	=====	=====
8. BORROWING – NON -CURRENT		
Vender Loans	4,435,601	4,426,173
	=====	=====
9. PROVISIONS – NON - CURRENT		
Rehabilitation provision	1,372,982	1,37,982
	=====	=====
10. CONTRIBUTED EQUITY		
3 Ordinary shares fully paid	3	3
	=====	=====

MT BOPPY RESOURCES PTY LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
11. CASH FLOW INFORMATION		
(a) Reconciliation of cash flows from operations with loss after tax		
(Loss) after tax	(281,212)	(1,109,182)
Changes in assets and liabilities:		
- (Increase)/decrease in receivables	(10,000)	-
- Increase/(decrease) in payables	187,235	158,771
	-----	-----
NET CASH USED IN OPERATIONS	(103,977)	(950,411)
	=====	=====
(b) Reconciliation of cash		
Cash at bank and on hand	542	95,091
	=====	=====

MT BOPPY RESOURCES PTY LTD

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DIRECTORS' DECLARATION

In the opinion of the directors of Mt Boppy Resources Pty Ltd

1. The financial statements and notes, as set out on pages 6 to 15 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Dennis Peter Karp

Director

Dated this 30th June 2020
Sydney.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MT BOPPY RESOURCES PTY LTD

Report on the Financial Report

I have audited the accompanying financial report of Mt Boppy Resources Pty Ltd (the company), which comprises the statement of financial position as at 30 June 2018 and the statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements for the year then ended.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on our audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001.

MT BOPPY RESOURCES PTY LTD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MT BOPPY RESOURCES PTY LTD (CONTINUED)

Report on the Financial Report (cont'd)

Auditor's Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for qualified Opinion paragraph, the financial report of Mt Boppy Resources Pty Ltd has been prepared in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001

Basis for Qualified Opinion

The previous financial report was not audited. I am unable to satisfy myself by alternative means concerning a number of opening balances disclosed in the statements of financial performance and cash flows and the statement of financial position, as comparative figures.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting and the ability to continue on a going concern. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities to the Australian Stock Exchange. As a result the financial report may not be suitable for another purpose.

Australian Audits & Corporate Services



Brian R Taylor
Registered Company Auditor

Date this 30th June 2020
Sydney

Limited liability by a scheme approved under Professional Standards Legislation.