

ANNUAL REPORT

For the period 9 December 2020,
date of incorporation, to 30 June 2021

MT MALCOLM MINES NL

ABN: 78 646 466 435



Mt Malcolm Mines NL
Corporate Directory
30 June 2021

Directors	Robert Downey (Chairman) Trevor Dixon (Managing Director) Daniel Tuffin (Technical Non-Executive Director) Gary Powell (Non-executive Director)
Company secretary	Henko Vos
Registered office	C/- Nexia Perth Level 3, 88 William Street Perth WA 6000 Phone: +61 8 6244 6617 Facsimile: +61 8 9463 2499
Principal place of business	8 Sarich Court Osborne Park WA 6017 Phone: +61 8 6244 6617
Share register	Advanced Share Registry Ltd 110 Stirling Hwy Nedlands WA 6009 Phone: +61 8 9389 8033
Auditor	RSM Australia Partners Level 32, Exchange Tower 2 The Esplanade Perth WA 6000
Solicitors	Dominion Legal 17 Lacey Street Perth WA 6000
Bankers	National Australia Bank West End – 197 St Georges Terrace Perth WA 6000
Stock exchange listing	Mt Malcolm Mines NL shares are listed on the Australian Securities Exchange (ASX code: M2M)
Website	www.mtmalcolm.com.au
Corporate Governance Statement	www.mtmalcolm.com.au

Mt Malcolm Mines NL
Chair of Board's Report
30 June 2021

Dear Shareholders,

On behalf of the directors of Mt Malcolm Mines NL (**Company**) it gives me great pleasure to welcome all of our shareholders to the Company's first annual report, following our successful IPO on the ASX on 10 September 2021 under which we successfully raised \$8,000,000.

We would like to thank all of our shareholders and stakeholders for their support to date.

As a Company we are very pleased to bring to market a quality landholding in the prolific Leonora - Laverton District being the Mt Malcolm Gold Project. The main project area comprises an area of 274km² along the Western margin on the Keith-Kilkenny Tectonic Shear Zone near Leonora in Western Australia. The many historical discoveries within an 80km radius have yielded in excess of 50 million ounces of known gold resource ounces.

Following the IPO, we will now focus on the delivery of meaningful result across the 9 prospect areas within the Malcolm Project area, with an initial gravity survey at Calypso in preparation for RC drill testing and follow up diamond core drilling within the mineralised areas defined to date.

At the same time we will be commencing work on assimilating previous data and building exploration models in the other prospect areas within the Mt Malcolm Gold Project. We are spoilt for choice in being to able explore such highly prospective ground.

We are well supported and well-funded to implement our work programs focusing on our target areas and we have an exciting year of exploration ahead of us.

We look forward to providing our shareholders with further news as the work programs advance.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'R. Downey', followed by a long horizontal flourish.

Robert Downey
Chair of the Board

Review of Operations and Activities

The Company's operations have taken strategic steps forward during the year, by securing a strategic prospective mineral tenure via its wholly owned subsidiaries Mt Malcolm Gold Holdings Pty Ltd and Aurum Mining Pty Ltd. These acquisitions formed the basis of the successful initial public offering of the Company's shares.

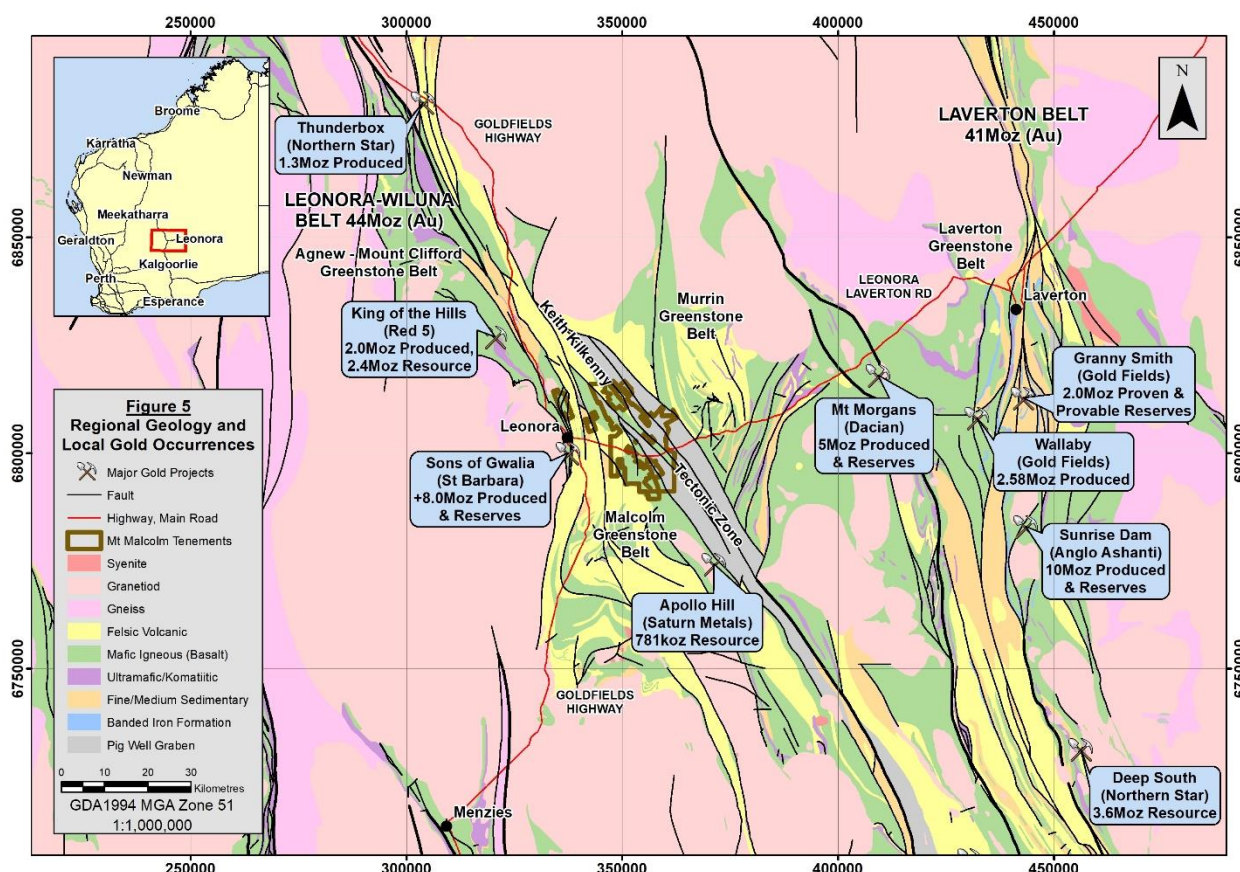
The Company's tenements near Leonora is a significant tenure package over favourable geological greenstone sequences in a precious mineral district in the Eastern Goldfields region of WA.

The holdings cover an extensive land area straddling the Leonora-Laverton Road and extending NW to the Leonora-Nambi Road. Road access to and within the Mt Malcolm Project is excellent.

The tenement portfolio overlies a 30 km strike segment of the Keith-Kilkenny Tectonic Zone ("KKTZ") surrounded by both the highly prospective Malcolm and Minerie Greenstone Belts and abutting the late Archean Melita Complex to the west and southwest with the Pig Well Graben epiclasic basin sediments to the north east.

The KKTZ is regarded as a deep seated, mantle tapping mega structure that is the focus for intrusive mineralised metasomatic fluids. Lithological and structural trends are subordinate and sub-parallel to the feature and a series of NW-NNW, NE-ENE and N-S shear zones and faults truncate the holding.

The Malcolm region is structurally complex displaying fold styles ranging from open to tight to isoclinal and several mineralisation types including BIF, shear zone, quartz lode and porphyry styles.



*Regional greenstone/granite geological setting displaying local gold occurrences and the Malcolm Gold Project footprint
Image Reference Sources same as Figure 1*

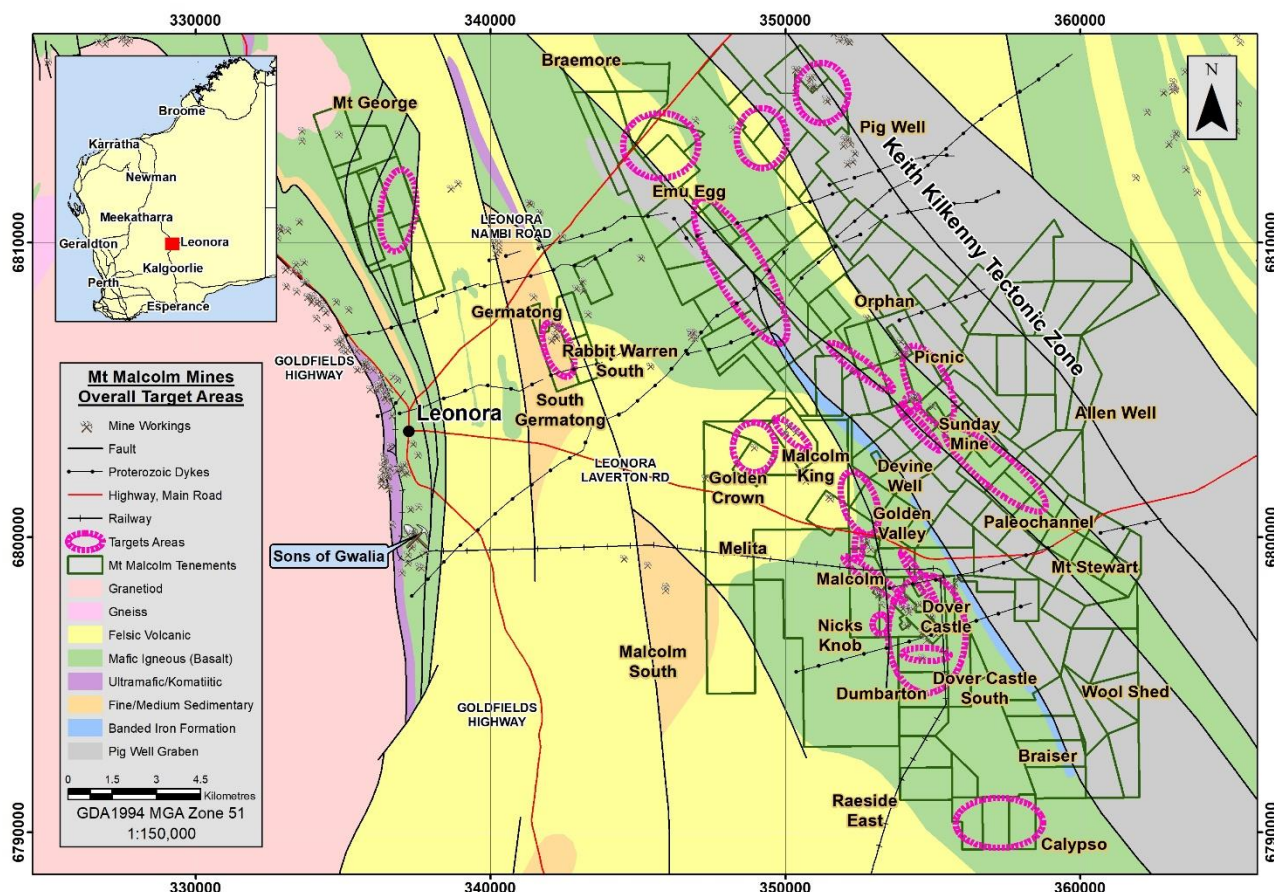
Structural controlled shears and fault related mineralisation together with suitable lithological contacts accompanied by quartz veining ± carbonate alteration is the local mineralisation style and the Project areas geological orogenic target model.

The inter-graben shear zones and related fault controlled sub-parallel structures/faults/shear zones and sheared lithological contacts are the exploration focus. There is evidence of related shear-controlled quartz veining sub parallel to the general regional lithological trend within the felsic/sediment and dolerite/gabbroic mafic sequences immediately adjacent to the graben contact.

Mt Malcolm Mines NL
Review of Operations and Activities
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The sheared veining systems present as exploration targets, especially when compatible with low order gold-in-soil anomalies and projected extensions of existing small workings. Deeper drilling is required to determine the size and geometry of identified mineralised halos, particularly when associated with structural intersections and old workings.

Past exploration activities have focused on areas in and around the old workings having intersected strong gold mineralisation close to surface from several drilling programs by numerous exploration companies. However, wholistic exploration has been hampered and divided in the past by disjointed tenement ownership. For the first time ever this tenement group has been consolidated by a single owner into a large Project holding that is regarded as underexplored with excellent potential for the discovery of one or more significant gold deposits based on production history, previous sample and drill results, a complex structural regime and the correct rock types of a suitable age.



Overview of Mt Malcolm selected target areas on GSWA geological interpretation

The Company believe the Malcolm Gold Project has the potential for the discovery of economic gold deposits as the historical workings are numerous and relatively shallow in depth. Potential exists for the definition of additional resources below the current level of the old workings and along the strike surrounds. Mineralisation has been partially defined at Calypso, Dumbartons and Dover Castle South. Potential to advance and expand these projects at depth and along strike via exploration drilling are viewed as highly likely.

The Prospect areas are located in close proximity to operating mines and historic mining centres in the Leonora-Laverton region. Some of the tenements have not previously undergone systematic, modern day exploration and hence their mineralisation potential has never been fully evaluated.

MT GEORGE

The geology of the Mt George area, P37/8314, 8662, 8648, 8862-63, 8982 and PLA37/9479-81, 5km north of Leonora, consists of a sequence of mafic intrusive dolerites and gabbros to the west and felsic sediments to the east. Several old workings occur within intrusive quartz rich porphyries within the sheared mafic sequence. Although outcrop is generally good the area has been subject to limited exploration activity.

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Only two sets of old working shave been drilled. The holes were shallow and limited to <200m in total advance. The peak drill result (Randwick NL 1988) on P37/8863 returned:

- 1.0m @ 1.25 g/t (8-9m) and 1.0m @ 2.35 g/t Au (13-14m) in 87MTG1.

The results have not been followed up.

The TMI magnetic images over the contiguous tenement group display two unusual NNW becoming north easterly curved linier features at a completely different orientation to the regional NNW lithological and structural trend and may represent the southern end of a regional “kink” or dilation zone. The unusual structural features are confirmed by GSWA state mapping as faults or shear zones.

The structural extensions of the magnetic lineation’s and the line of old workings present as drill targets.

Structural controlled shears/fault related mineralisation together with suitable lithological contacts accompanied by quartz veining is the local mineralisation style and the Project areas geological target model.

EMU EGG

At Emu Egg, P37/8568, 8890-8900,9239, 8649, 8651, 8659-61 and 8664-65, gold mineralisation is associated with quartz veining and ferruginous alteration, probably after sulphides within sheared NW-NNW trending Archean basalt. Areas of extensive dry blowing overlie minor quartz veining either side of the basalt/gabbro contact. The holding covers a section of the Malcolm Anticline that displays NW shear zones positioned along felsic volcanoclastic and metasedimentary phyllitic contacts.

Anomalous gold-in-soil values appear to be spatially associated with aero magnetically prominent sills of gabbro/dolerite. The close proximity to the KKTZ provides a favourable stratigraphic-structural setting for gold mineralisation.

Old workings tested drill by Ashton Gold WA (1991) returned

- 2m @ 14.7g/t Au (16-18m) in EEGRC7 and
- 2m @ 8.6g/t Au (22-24m) in EEGRC16

More recent RAB drilling at Emu Egg by Gilt Edge Mining Pty Ltd (2000-01) returned:

- 14m @ 2.47g/t Au (40-54m) including 4m @ 7.02g/t Au (47-51m)

The mineralised areas complement the regional magnetic high signature within the mafic sequence immediately adjacent to the KKTZ which includes associated interpreted NW shear zones that transect the project area. The findings are confirmed by the magnetic images.

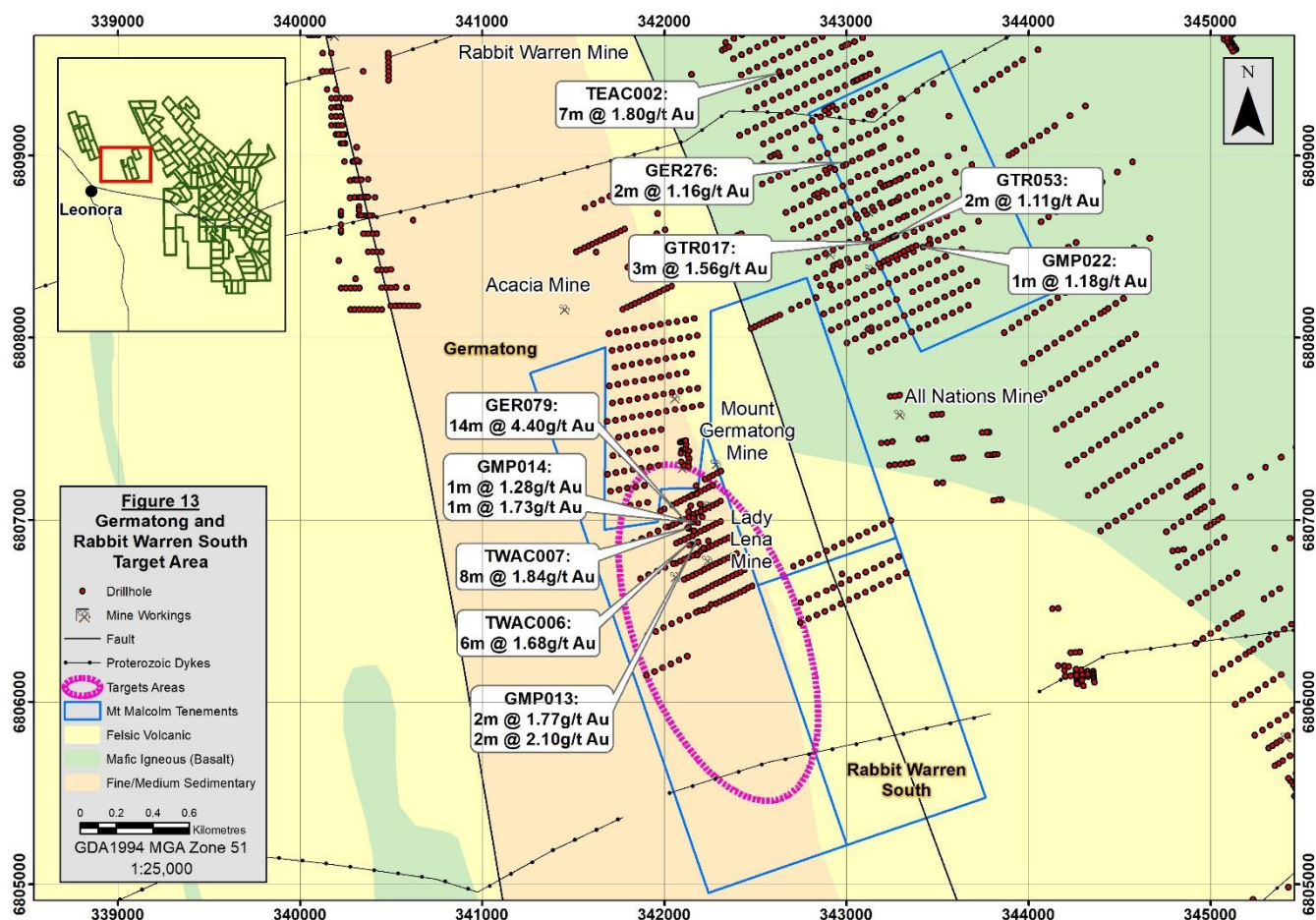
The system remains open to the NW and at depth. Gold mineralisation also remains open along strike. Follow up drill assessment is required to test for the possibility of down plunge repetition of the boudin like lodes at Emu Egg.

GERMATONG AND RABBIT WARREN

The non-contiguous Germatong and Rabbit Warren Prospects P37/8652-53, 8650 and 8683 host several old workings that have produced gold however not all historical production records are available. Early battery crushing records from the area confirm very rich grades from quartz-sericite-pyrite-silica altered dacite to and esite fragmentals that are coincidental with north plunging quartz or chert boudins.

The area was initially tested by Esso Exploration Ltd (1979-87) targeting Teutonic Bore style Zn-Cu-Ag VHMS mineralisation however base metal assay results from shallow RAB drilling were sub-economic.

The holding is west of the NNW-NW orientated KKTZ, a major faulted structural dislocation that hosts many auriferous shear hosted deposits in the Kurnalpi Terrain and the Leonora region. The project area is dominated by large scale fault events and regional scale folding of the Benalla and Malcolm Anticlines and the Kilkenny Syncline.



Gerमतong and Rabbit Warren South prospects with significant drill intersections, historical drill collars over GSWA interpreted geology

The Gerमतong area hosts several historical past high-grade producers. The area is regarded as under explored for gold mineralisation. A project review and data compilation together with geological mapping and structural evaluations are required prior to drill investigation.

PIG WELL

The Pig Well area was a noteworthy gold producer prior to 1910. The nearby but excised Gambier Lass workings group produced 8,075oz at a rich grade (28.75g/t Au) (Kelly 1954) from under formed quartz veining systems in brittle host rocks adjacent to shear zones within reworked epiclastic and conglomeratic rocks of the sediment filled Pig Well Graben. The tenements are regarded as prospective for high grade gold mineralisation. The internal faults and sub-parallel graben structures are regarded as under explored and considered highly prospective for high grade structurally controlled gold mineralisation.

The vast majority of the tenement holding covers the Pig Well Graben and the western KKTZ contact, outcrop is sparse however the same lithological sequence and related veining evident at Gambier Lass underlie the holding. The bedding has been folded around the grabens NNW axis and the basin cuts across faults and folds and internal granitic intrusions suggesting late syn-tectonic sedimentary deposition.

Geological interpretation suggests gold mineralisation is most likely related to late-stage movement on the major faults bounding the Pig Well Domain, and hence may be of a different generation from the gold deposits at Leonora (Williams 1988).

High grade shoot controlled veining systems are the preferred target. Mineralisation and lodes mined by the "old timers" were generally short and disjointed however the gold yield was almost one ounce per ton. The larger more continuous structural lineation's and areas surrounding the old workings, such as the Ada Crossley and Ada Crossley North on P37/8608, present as drill targets.

SUNDAY TO PICNIC SHEAR ZONE

The prospective Sunday-Picnic Shear Zone is located in the centre of the Mt Malcolm Project area comprising P37/8871-74, 8876-79, 9071-77, 9361-62 and 9366. The holding is located east of and contiguous with the Pig Well Prospect. Geology comprises an elongate NNW highly sheared greenstone mafic wedge sandwiched between the magnetically low KKTZ and the Pig Well Graben sedimentary sequence. Mineralised structures identified to date that parallel the KKTZ are interpreted as prospective splays emanating from the megastructure. The regional structural trend is disrupted by cross faulting that has assisted in localising gold mineralisation. Countless historical workings occur throughout the Prospect area.

The KKTZ and surrounds present as a disjointed region displaying a high degree of structural deformation and suitable host green stone assemblages that have been mineralised by a late-stage gold event.

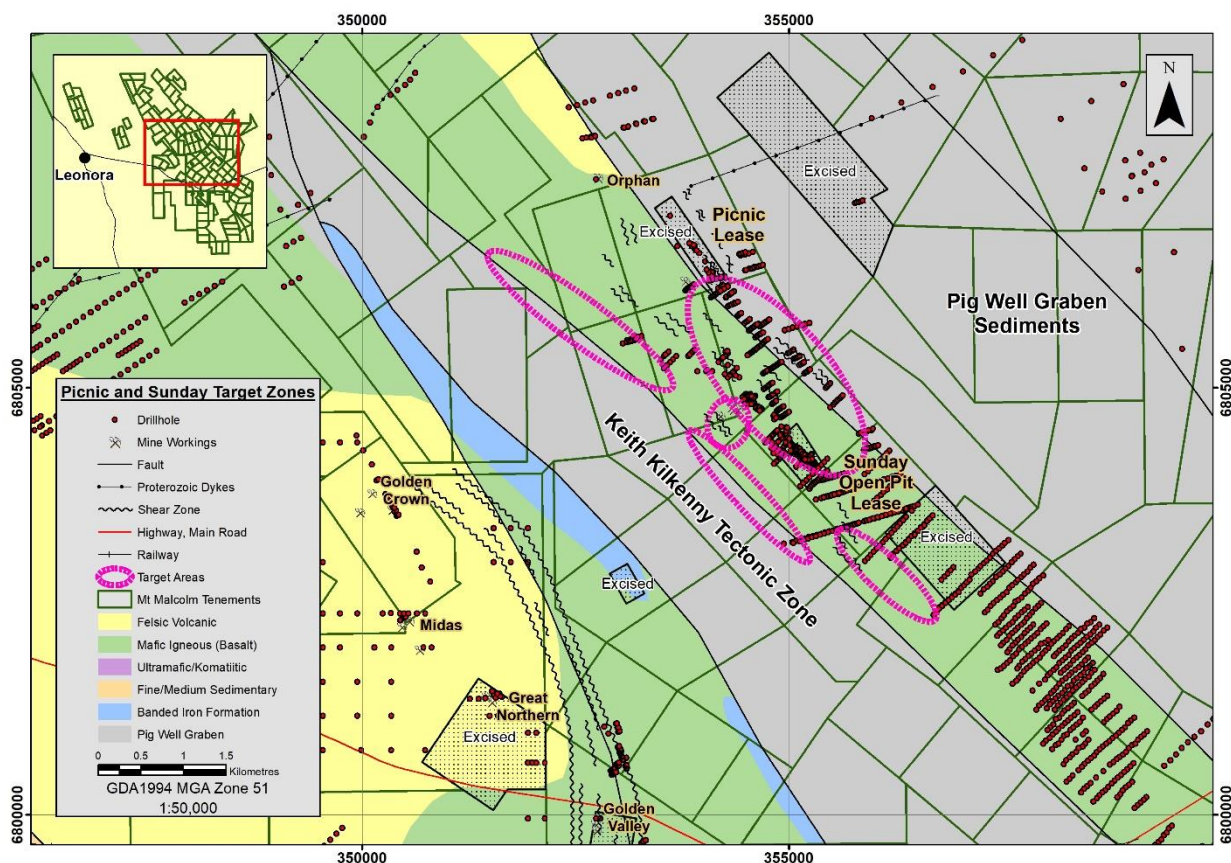
Sunday and Picnic together with their NW and SE strike extensions are the two primary target areas. Local lithologies include sheared basalt, quartz rich clastic sediments, ultramafic rocks, intrusive porphyries and reworked felsic tuffs. Gold mineralisation at the shallowly mined (8m) excised Sunday open pit occurs in quartz stockworks, oxidised sediments and quartz/carbonate flooded breccia. Mineralisation has been identified along the length of the shear associated with anomalous arsenic, sericitic alteration and bleaching which is associated with shearing sub-parallel to the regional foliation and lithological trend.

The prospects most significant drill intersection on P37/9074, Pacrim Energy Ltd (2006) returned:

- 2m @ 35.35 g/t Au (89-91m) and 8m @ 0.37 g/t(91-99m) in PNRC002

The high-grade vein is directly along strike south of the historic Picnic workings. The mineralised corridor presents the southern strike extension and a follow up drill ready target.

Drill targets include the sediment contacts along the Picnic Shear Zone and the dolerite/sediment contacts along the Sunday Shear Zone including the Orphan prospect (P37/8873) further north. Strike extensions and additional occurrences of this type of mineralisation are the preferred target in this particular environment.



Geological Interpretation of the Sunday-Picnic Prospect area with historical drilling, geology and on striketarget areas.

MALCOLM DAM INCLUDING GOLDEN CROWN AND MALCOLM KING

The Malcolm Dam Prospect is prospective for gold and base metals, it hosts several old workings including the Golden Crown/Midas and Malcolm King that have historically produced gold. E37/1367, and P37/8730-31, 8733, 8745-47, 8864, 8866, 8748, 8754, 9204-07, 85232-24, 8865, 9208 and M37/475.

Significant drill intersections returned from Golden Crown, Jubilee Mines NL (1993) and Melita Mining NL (1988) include:

- 4m @ 10.40 g/t Au (32-36m) in MSR344
- 16m @ 1.63 g/t Au (8-24m) in MDRC004

At Golden Crown gold mineralisation is associated with sericite-quartz-pyrite alteration within sheared and esite fragmentals adjacent to competent lava flows and localised high-grade ore shoots (quartz boudins) within the carbonated basalt, that plunge shallowly to the north.

The calc-alkaline volcanic complex setting of the Malcolm Dam-Golden Crown area is indicative of potential Volcanic hosted Massive Sulphide (VHMS) mineralisation. Layered gabbro immediately SE may provide the intrusives necessary for VHMS mineralisation.

RC drilling by Jubilee (1995) at Malcolm King returned a peak assay result of:

- 8m @ 5.69 g/t Au (42-50m) including 2m @ 15.90g/t Au (44-46m).

Holes were shallow with a maximum depth of 60m. The Malcolm King workings have not been fully drill tested and the untested workings and the chert horizon at depth and along strike present as drill ready targets.

Another prospective area within the prospect includes interbedded mafic/felsic volcanics at Malcolm King. Old workings display zones of intense carbonate alteration that are related to areas of high structural deformation. Primary gold mineralisation is associated with quartz veining in gossanous chert horizons at Malcolm King and in highly sheared mafics at the nearby Golden Valley. The cherts display intense folding and faulting.

The project area extends south into relatively unexplored E37/1367 and E37/1419 where geochemical results and geophysical anomalies returned a similar signature to the nearby Calypso prospect require further examination. The gold-in-soil results reflect the local structural trend and are interpreted as the southern extensions of the eastern side of the Black Cap Shear Zone.

The prospective Sunset Well Shear Zone, which is traceable over 10km truncates the prospect area with a NW orientation. Other shears include the NW extensions of the nearby Black Cap Shear Zone, which extends further south into the Malcolm Mining Centre are considered to be the primary target structures.

MALCOLM MINING CENTRE INCLUDING DOVER CASTLE, DUMBARTON AND THE BLACK CAP SHEAR ZONE

The Malcolm Mining Centre prospect P37/8820-26, 8732, 8905, 9369, 9495, 9497 and E37/1331 E37/1419 hosts several old mines that historically produced gold including Dover Castle, Dumbartons, Golden Valley, Nicks Knob and Dover Castle South where most of the historic miners targeted the high-grade portions of the quartz veining system.

Target areas are focused along the auriferous extensive Black Cap Shear Zone that truncates the area in a northerly to NW direction. The shear is an intensely sheared mafic schist with carbonate-chlorite alteration and quartz veining. Exploration has historically focused in and around many of the old workings and neglected the potential strike extensions. The entire shear zone length including the old partially tested old workings presents as an exploration target.

At Dover Castle greenstones comprise sheared basalts, dolerite, porphyritic feldspar dolerite, black shale, siltstones, grits and medium grained greywacke. Gold mineralisation is hosted by NW, NNW and EW shears typically associated with quartz veining, epidote and chlorite alteration with pyrite and arsenopyrite mineralisation. Gold mineralisation is hosted within a bifurcation of the NNW trending Black Cap Shear Zone which is variably mineralised for at least 2km and only tested with shallow RAB. Mineralisation displays a preference, like elsewhere in the district, for lithological contacts or close to lithological contacts.

RAB drilling by Asarco (Aust) Ltd (1989) returned a peak assay result of:

- 4m @ 7.0g/t Au (44-48m) in MSR282.

Locally shears and fault zones persist for hundreds of metres in strike and range from 5m to 150m in width. At nearby Dover Castle South Previous drilling by North Ltd (1995) returned a peak result of:

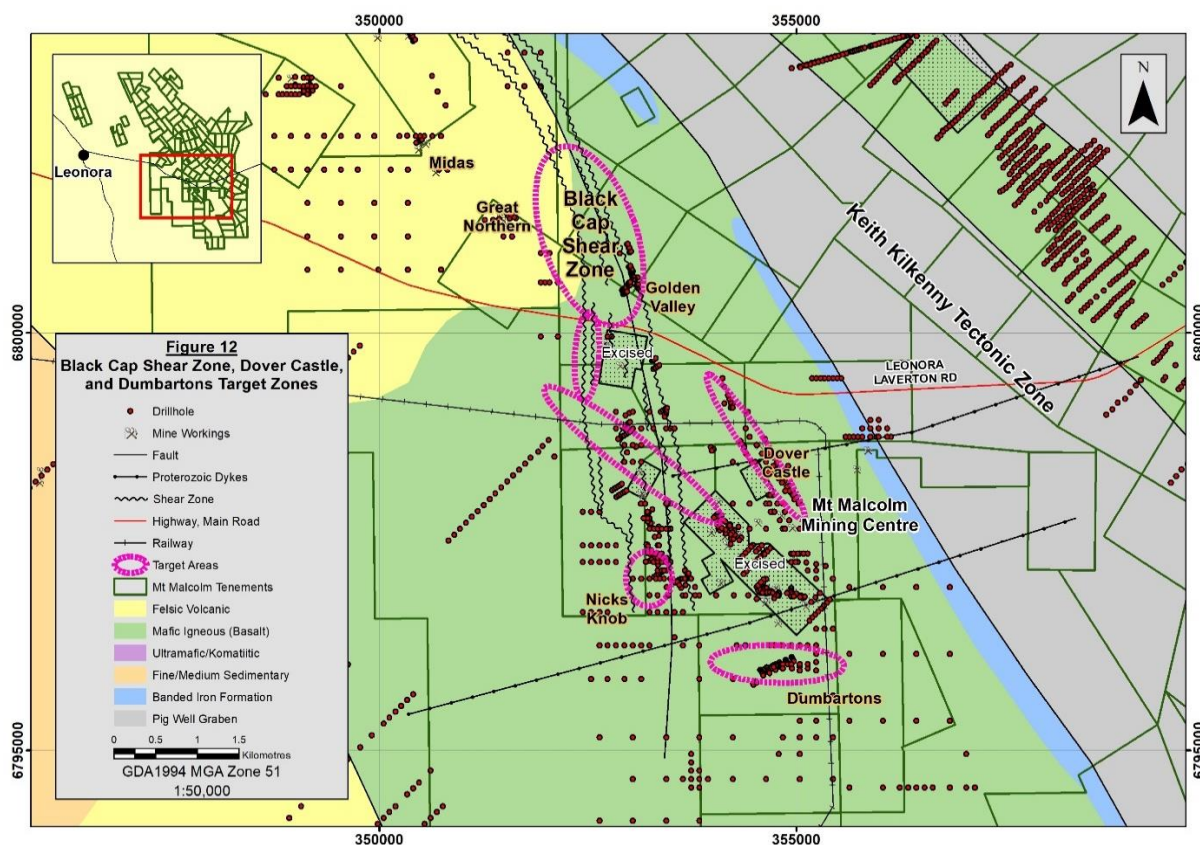
- 16m @ 2.34 g/t Au (4-20m) in MSR185.

Dover Castle South was also RC drill tested by Torian (2017) returning a peak intersection of:

- 24m @ 2.48g/t Au (10-34) including 5m @ 7.37 g/t Au (18-23m).

Drilling beneath the intersection failed to replicate the mineralisation however numerous +1g/t Au intersection have been returned along 500m of strike. The system remains open both at depth and along strike, the mineralised horizon has only been superficially tested with drill sections comprised of two holes or a single isolated hole at 50m or 80m spacing.

At Golden Valley mineralisation is identified along the eastern margin of the intensely sheared mafic schists of the Black Cap Shear Zone. Gold is hosted within ferruginous quartz veins within felsic, chlorite-sericite carbonated mafic schists, the veining appears to be associated with the core of a local synclinal structure.



The Black Cap Shear Zone target areas with historical drilling on interpreted GSWA geology

Further south at Dumbartons the geology comprises up to three zones of shearing and quartz veining hosted in sheared basalts. Historical drilling has intersected anomalous values of 1-7g/tAu over a strike length of approximately 400m, the untested structure continues beyond the current shallow drill pattern for at least 700m and is up to 50m wide in places. Target zones around the old Dumbartons workings have not been adequately tested and drilling consists of shallow RAB.

Within the southern portion of the Black Cap Shear at Nicks Knob gold mineralisation is located within narrow steeply plunging quartz/chert boudins. The structure consists of NW trending anastomosing shear zones typically occurring along intensely sheared lithological contacts associated with quartz, iron carbonate, iron chlorite and sericitic alteration with variable pyrite and lesser arsenopyrite.

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Jubilee (1993) tested Nicks Knob with RC drilling returning peak values of:

- 6m @ 4.55 g/t Au (28-34m) in MCRC065 and
- 8m @ 3.16 g/t Au (29-37m) in MCR067.

The Black Cap Shear Zone mineralisation is hosted in intensely sheared mafic schist with carbonate-chlorite alteration and sporadic quartz veins and the structure is traceable over 7.5km and up to 1km wide. The structure presents as an exploration target worthy of follow up drill investigation.

MT STEWART INCLUDING PALEOCHANNEL

At Mt Stewart the geological contact between the felsic and ultramafic-shale-mafic succession presents as a favourable structural and lithological position for gold concentration.

The Paleochannel prospect covers sheared mafic dominated volcanic and volcanoclastic stratigraphy with minor ultramafic and felsic stratigraphy. The area has been drilled

Aircore drilling by Hannans Reward (2003-08) returned a peak intersection of:

- 4m @ 7.59 g/t Au (65-69m) including 1m @ 26.33g/t Au (65-66m) in MSAC299

With follow up RC drilling the following year by Triton Gold Ltd (2009) returning

- 1m @ 78.97 g/t Au (108-109m) in MSRCH021

In an albite-sericite-carbonate alteration zone on the felsic porphyry mafic schist sheared contact, gold mineralization is specifically associated with ankerite-quartz-pyrite veining. The zone of anomalous gold is sub-parallel to the main structural fabric and steeply dipping. The high-grade gold appears to be related to northly trending faults and associated veins. This relationship is similar to mineralisation controls observed in the Sunday pit.

The NW striking greenstone lithologies also host the southern extensions of the extensive Sunday Shear Zone. The structure has been subject to limited exploration in the past and the strike extensions of the structural feature present as potential drill targets.

CALYPSO

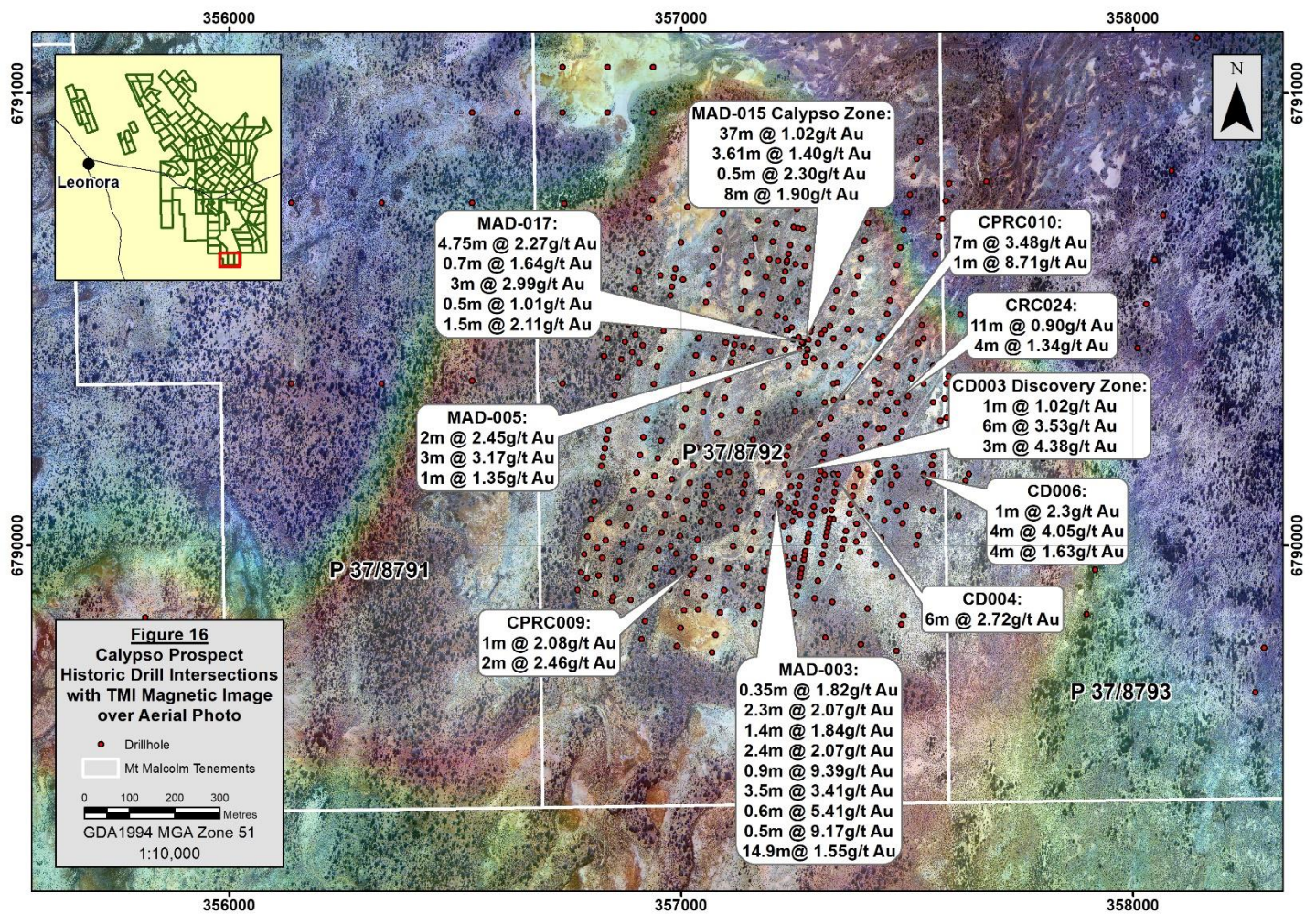
Calypso is a shallow dipping deposit with mineralisation associated with a variety of NNW trending sedimentary rock types, mainly an intensely altered iron carbonate-pyrite-quartz within a magnetite siltstone and intense carbonate alteration in a relatively unaltered siltstone. Gold mineralisation occurs along a sheared BIF/conglomerate contact and other sedimentary facies within a complexly folded sedimentary greenstone sequence displaying both EW and NS fold axial traces, E-SW and NW trending fault zones truncate the fold pair.

Higher grades are generally associated with zones of higher pyrite abundance.

Calypso was originally discovered by BHP in the mid-1980s and has been explored by several exploration companies since. Previous resource calculations are not acceptable under current JORC2012 classification.

The area is covered with recent soil and outcrop is non-existent. The structural complexity and styles of mineralisation have not been adequately addressed in the past and the prospect presents as a mature but underexplored exploration target zone. Geophysical interpretation combined with past exploration results will assist with "fine tuning" target areas.

Initial diamond drilling is planned following data validation.



Calypso prospect area with TM Imagetic image over air photo displaying historical drilling and significant drill intersections

Mt Malcolm Mines NL
Directors' report
30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Mt Malcolm Mines NL (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the period 9 December 2020 to 30 June 2021 ("financial period").

Directors

The following persons were directors of Mt Malcolm Mines NL during the whole of the period 9 December 2020 to 30 June 2021, and up to the date of this report, unless otherwise stated:

Trevor Dixon (Appointed 9 December 2020)

Robert Downey (Appointed 9 December 2020) (Appointed Company Secretary 9 December 2020, resigned 3 May 2021)

Gary Powell (Appointed 9 December 2020)

Daniel Tuffin (Appointed 9 December 2020)

Principal activities

During the financial period the principal continuing activities of the consolidated entity consisted of obtaining exploration tenements around the Leonora, Mt Malcolm region, for the purpose of exploration and potential development of gold.

Dividends

Nil dividends paid during the financial period.

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$2,928,185.

On the 23 December 2020, the company purchased 100% of:

- Mt Malcolm Gold Holdings Pty Ltd (ABN 32 638 371 909) ("Gold"), and
- Aurum Mining Pty Ltd (ABN 34 640 738 727) ("Aurum").

The company, agreed on the 23 December 2020 to engage Morgans Corporate Limited to raise \$1,000,000 by issuing 10,000,000 shares at 10c per share. This was successfully completed on the 24 February 2021. The purpose of the funds was to complete the purchase of the approximately 126 tenements by Gold and have available funding for operational and further funding expenditure through IPO.

The subsidiary Gold, purchased 123 tenements, and 3 tenements at application stage, in the Mt Malcolm area, with settlement of:

- 78 tenements on 31 May 2021 and
- a further 48 tenements on 21 June 2021.

Further, the subsidiary, Gold, has applications for 10 prospecting tenements which complement the Gold parcel of tenements.

The subsidiary, Aurum, has applications for 11 prospecting tenements which complement the Gold parcel of tenements.

There has been no impact of the Coronavirus (COVID-19) pandemic up to 30 June 2021 on the consolidated entity.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the consolidated entity during the financial period.

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Matters subsequent to the end of the financial period

Subsequent to the reporting date:

- on the 3 September 2021, Mt Malcolm Mines NL issued 40 million shares at \$0.20 per share for proceeds of \$8,000,000.
- Mt Malcolm Mines NL listed on the Australian Stock Exchange on the 10 September 2021, debuting with a price of \$0.25 per share.
- Mt Malcolm Mines NL on 10 September 2021, issued to Morgans Corporate Ltd 2,515,560 options with exercise price of \$0.30 on or before 10 September 2024.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except as otherwise disclosed above, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity intends to continue its exploration, on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Environmental regulation

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration activities. The directors are not aware of any environmental law that is not being complied with.

Information on directors

Name:	Robert Downey
Title:	Chairman – Independent Director
Qualifications:	LLB(Hons), Bachelor of Education.
Experience and expertise:	Rob was admitted as a barrister and solicitor of the Supreme Court of Western Australia in December 1999. He has practised in areas of international law, corporate law, and initial public offerings as well as mergers and acquisitions. He has extensive legal experience as an advisor and director of various ASX, TSX and AIM companies. Rob has held, and continues to hold, directorships of many publicly listed companies and regularly advises boards on issues of governance and strategy. Rob is currently a founding partner at Dominion Legal.
Other current directorships:	Cervantes Corporation Ltd, Askari Metals Ltd, Zeotech Ltd, Connexion Telematics Ltd.
Former directorships (last 3 years):	Nil
Interests in shares:	701,000 (Indirect)
Interests in options:	1,000,000 (Indirect)
Contractual rights to shares:	None

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Name:	Trevor Dixon
Title:	Managing Director (Non-independent Director)
Qualifications:	Member Australian Institute of Company Directors
Experience and expertise:	Trevor is an entrepreneur with more than 30 years of experience in the mining and exploration sector in Western Australia. He was a founding vendor to listed companies including Jubilee Mines, Terrain Minerals, Regal Resources and Kin Mining NL where he served as the founding MD and a former Chairman. He has managed mining services businesses and as a private individual identifying and acquiring prospective mineral projects. Trevor has management experience in areas of contractual outcomes, Mining Act regulatory procedures and standards, Tenement Management and a long history of Native Title negotiations and resolutions.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	18,766,000 ordinary shares (direct) 440,000 ordinary shares (indirect)
Interests in options:	2,000,000
Contractual rights to shares:	None
Name:	Daniel Tuffin
Title:	Technical Non-Executive Director (Non-independent Director)
Qualifications:	Mining Engineering (BEng) from the University of Ballarat, Mining and Engineering Surveying (BSc) from WASM, a Diploma in Project Management
Experience and expertise:	Daniel is an experienced hands-on Mining Engineer. He is currently the MD of Auralia Mining Consulting, a boutique mine consultancy that specialises in all aspects of Project Development, Mining Studies and Public Mining Ventures. Daniel is a Fellow and an accredited Chartered Professional with the AusIMM, and a Member of the Australian Institute of Company Directors, having completed their Company Director Course.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	1,250,000 ordinary shares (indirect)
Interests in options:	1,000,000 (Indirect)
Contractual rights to shares:	None
Name:	Gary Powell
Title:	Non-Executive Director
Qualifications:	Bachelor of Applied Science (Geology)
Experience and expertise:	Gary is an experienced exploration geologist and mining executive with more than 35 years of local and international experience in exploration, overseeing project development and gold mining. He recently resigned as the Business Development Consultant for Red 5 Limited to pursue private exploration company interests. Gary is currently Managing Director of Burley Minerals Ltd (ASX:BUR) and a member of the AIG and AusIMM.
Other current directorships:	Burley Minerals Ltd
Former directorships (last 3 years):	Nil
Interests in shares:	50,000 ordinary shares (indirect)
Interests in options:	1,000,000 (Indirect)
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Henko is a member of the Governance Institute of Australia, the Australian Institute of Company Directors, Chartered Accountants Australia and New Zealand and a Registered Company Auditor with more than 20 years' experience working within public practice, specifically within the area of corporate and accounting services both in Australia and South Africa.

He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. Mr Vos, is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full board	
	Attended	Held
Robert Downey	4	4
Trevor Dixon	4	4
Daniel Tuffin	4	4
Gary Powell	4	4

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- Transparency

Currently, the Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. It is intended that a Nomination and Remuneration Committee be formed at a later date.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

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Directors' report
30 June 2021

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. It is intended that at the first Annual General Meeting, the shareholders will be asked to approve a maximum annual aggregate remuneration of \$300,000.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Currently there are no short-term incentives ('STI') program.

The long-term incentives ('LTI') include options. The options, which vested immediately, were awarded to executives on 21 June 2021 in recognition of the director's unpaid contribution as directors to the Consolidated Entity.

Consolidated entity performance and link to remuneration

Remuneration is not currently linked to the performance of the consolidated entity.

Voting and comments made at the company's 2021 General Meeting

At 21 June 2021 General Meeting, it was successfully voted that the Trevor Dixon would receive 2,000,000 options with all other directors and Principal Geologist Paul Maher to receive 1,000,000 options each. These options vested immediately.

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Directors' report
30 June 2021

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Mt Malcolm Mines NL:

- Robert Downey - Non-Executive Chairman (Appointed 9 December 2020)
- Daniel Tuffin – Technical Non-Executive Director (Appointed 9 December 2020)
- Gary Powell - Non-Executive Director (Appointed 9 December 2020)
- Trevor Dixon - Managing Director (Appointed 9 December 2020)

And the following persons:

- Paul Maher – Principal Geologist (Appointed 1 January 2021)

Changes since the end of the reporting period: With the listing of Mt Malcolm Mines NL on the Australian Securities Exchange, payment of the directors and Paul Maher for their work as directors and/or decision makers commenced on the 10 September 2021. (See service agreements for the full details.)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Super-Annuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2021	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Robert Downey (Chairman)	-	-	-	-	-	-	42,000	42,000
Daniel Tuffin	-	-	-	-	-	-	42,000	42,000
Gary Powell	-	-	-	-	-	-	42,000	42,000
<i>Executive Directors:</i>								
Trevor Dixon	4,000	-	-	-	-	-	84,000	88,000
<i>Other Key Management Personnel:</i>								
Paul Maher	4,250	-	-	-	-	-	42,000	46,250
	8,250	-	-	-	-	-	252,000	260,250

There is no 2020 remuneration report as Mt Malcolm Mines NL did not incorporate until 9 December 2020.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2021	At risk - STI 2021	At risk - LTI 2021
<i>Non-Executive Directors:</i>			
Robert Downey (Chairman)	-	-	100%
Daniel Tuffin	-	-	100%
Gary Powell	-	-	100%
<i>Executive Directors:</i>			
Trevor Dixon	5%	-	95%
<i>Other Key Management Personnel:</i>			
Paul Maher	9%	-	91%

There was no cash bonuses during the period 9 December 2020 to 30 June 2021.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Trevor Dixon
Title: Managing Director
Agreement commenced: 31 May 2021
Term of agreement: No term
Details: For the period 31 May 2021 – 10 September 2021, Trevor was paid \$4,000 (plus GST) per month in fees as a consultant for exploration and tenement management duties.

From 10 September 2021, base salary per year will be \$230,000 inclusive of superannuation, to be reviewed annually by the Board. Termination notice by either party is three months. For redundancy at least a six-week notice period, plus a six-month redundancy payment.

Name: Robert Downey
Title: Non-executive Director – Chairman
Agreement commenced: 31 May 2021
Term of agreement: No term
Details: From 10 September 2021, base salary/fee will be \$4,000 (plus GST) per month. If necessary, services as a chairman, that are required outside the scope of engagement, additional time will be charged as consulting services at a rate of \$220 per hour or \$1,750 per day (plus GST).

Name: Daniel Tuffin
Title: Technical Non-executive Director
Agreement commenced: 31 May 2021
Term of agreement: No term
Details: From 10 September 2021, base salary/fee will be \$3,000 (plus GST) per month. If necessary, services as a chairman, that are required outside the scope of engagement, additional time will be charged as consulting services at a rate of \$220 per hour or \$1,750 per day (plus GST).

Name: Gary Powel
Title: Non-executive Director
Agreement commenced: 31 May 2021
Term of agreement: No term
Details: From 10 September 2021, base salary/fee will be \$3,000 (plus GST) per month. If necessary, services as a chairman, that are required outside the scope of engagement, additional time will be charged as consulting services at a rate of \$220 per hour or \$1,750 per day (plus GST).

Name: Paul Maher
Title: Principal Geologist
Agreement commenced: 31 May 2021
Term of agreement: No Term
Details: For the period 31 May 2021 – 10 September 2021, Paul was paid \$4,000 per month in fees as a consultant for exploration and tenement management duties.

From 10 September 2021, base salary per year will be \$175,000 inclusive of superannuation, to be increased annually on the 12-month anniversary of the date of this Agreement by the higher of the amount of \$5,000 or the annual rate of inflation as measured by the CPI Perth index for the relevant period. Termination notice by either party is two months. For redundancy at least a six-week notice period, plus a six-month redundancy payment.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

No shares were issued as compensation for directors and other key management personnel as part of compensation during the period 9 December 2020 to 30 June 2021.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial period or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Trevor Dixon	2,000,000	21 June 2021	21 June 2021	30 June 2025	\$0.30	\$0.042
Robert Downey	1,000,000	21 June 2021	21 June 2021	30 June 2025	\$0.30	\$0.042
Daniel Tuffin	1,000,000	21 June 2021	21 June 2021	30 June 2025	\$0.30	\$0.042
Gary Powell	1,000,000	21 June 2021	21 June 2021	30 June 2025	\$0.30	\$0.042
Paul Maher	1,000,000	21 June 2021	21 June 2021	30 June 2025	\$0.30	\$0.042

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was approved at the General Meeting dated 21 June 2021. Options vested immediately, and are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the period 9 December 2020 to 30 June 2021 are set out below:

Name	Value of options granted during the period \$	Value of options exercised during the period \$	Value of options lapsed during the period \$	Remuneration consisting of options for the period %
Trevor Dixon	84,000	-	-	95%
Robert Downey	42,000	-	-	100%
Daniel Tuffin	42,000	-	-	100%
Gary Powell	42,000	-	-	100%
Paul Maher	42,000	-	-	91%

Additional information

The earnings of the consolidated entity for the period 9 December 2020 to 30 June 2021 are summarised below:

	2021 \$
Sales revenue	-
EBITDA	(2,919,699)
EBIT	(2,928,185)
Loss after income tax	(2,928,185)

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The factors that are considered to affect total shareholders return ('TSR') are summarised below:

2021

Share price at financial period end (\$)	-
Total dividends declared (cents per share)	-
Basic loss per share (cents per share)	(10.40)
The group incorporated on 9 December 2020 and listed on 10 September 2021. Consequently, there was no share price at the 30 June 2021.	

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the period 9 December 2020 to 30 June 2021 by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the period	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the period
<i>Ordinary shares</i>					
Trevor Dixon	1,000	-	18,830,000	(125,000)	18,706,000
Robert Downey	1,000	-	700,000	-	701,000
Daniel Tuffin		-	1,250,000	-	1,250,000
Gary Powell		-	-	-	-
Paul Maher		-	250,000	-	250,000
	2,000	-	21,030,000	(125,000)	20,907,000

Option holding

The number of options over ordinary shares in the company held during the period 9 December 2020 to 30 June 2021 by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
<i>Options over ordinary shares</i>					
Trevor Dixon	-	2,000,000	-	-	2,000,000
Robert Downey	-	1,000,000	-	-	1,000,000
Daniel Tuffin	-	1,000,000	-	-	1,000,000
Gary Powell	-	1,000,000	-	-	1,000,000
Paul Maher	-	1,000,000	-	-	1,000,000
	-	6,000,000	-	-	6,000,000

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Other transactions with key management personnel and their related parties

During the period 9 December 2020 to 30 June 2021, payments (exclusive of GST) were made to director related entities as follows:

KMP	Related Party	Payment Related To	Amount	Payment type
Robert Downey	Dominion Legal Pty Ltd	Legal Fees	\$70,000	700,000 shares @ \$0.10 per share.
			\$60,757	Paid upon listing.
Trevor Dixon	Trevor Dixon	Mt Malcolm Mines NL purchase of Mt Malcolm Gold Holdings Pty Ltd	\$1,150,000	10,000,000 shares @ \$0.10 per share.
				\$100,000 reimbursement for cost incurred, paid upon listing.
				\$50,000 consulting fees from 1 July 2020 – 23 December 2020, paid upon listing.
Trevor Dixon	Trevor Dixon	Mt Malcolm Mines NL purchase of Aurum Mining Pty Ltd	\$225,000	2,250,000 shares @ \$0.10 per share.
Trevor Dixon	Trevor Dixon	Purchase of tenements	\$660,000	\$56,000 reimbursement for cost incurred, paid upon listing.
	Drylands Pty Ltd		\$44,000	6,040,000 shares @ \$0.10 per share.
Trevor Dixon	Trevor Dixon	Consulting Fees	\$20,000	440,000 shares @ \$0.10 per share.
Paul Maher	Paul Maher	Consulting Fees	\$20,500	Total paid in monthly instalments.

Note the below balances are payable to key management personnel and their related parties at 30 June 2021:

KMP	Related Party	Payment Related to	Amount
Robert Downey	Dominion Legal Pty Ltd	Legal Fees	\$60,757
Trevor Dixon	Trevor Dixon	Mt Malcolm Mines NL purchase of Mt Malcolm Gold Holdings Pty Ltd	\$150,000
Trevor Dixon	Trevor Dixon	Reimbursement for cost incurred, paid upon listing.	\$56,000

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

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

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Mt Malcolm Mines NL under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
21 June 2021	30 June 2025	\$0.30	6,000,000
10 September 2021	10 September 2024	\$0.30	2,515,560

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Mt Malcolm Mines NL issued during the period 9 December 2020 to 30 June 2021 and up to the date of this report on the exercise of options granted.

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 where 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 auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of RSM Australian Partners

There are no officers of the company who are former partners of RSM Australian Partners.

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 immediately after this directors' report.

Mt Malcolm Mines NL
Directors' report
30 June 2021

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'T. J. Dixon', written in a cursive style.

Trevor Dixon
Managing Director

28 September 2021
Perth



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mt Malcolm Mines NL for the period 9 December 2020 to 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 28 September 2021

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Mt Malcolm Mines NL

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General information

The financial statements cover Mt Malcolm Mines NL as a consolidated entity consisting of Mt Malcolm Mines NL and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Mt Malcolm Mines NL's functional and presentation currency.

Mt Malcolm Mines NL is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 3, 88 William Street
Perth, WA, 6000

Principal place of business

Mt Malcolm Head Office
8 Sarich Court
Osborne Park WA 6017

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2021. The directors have the power to amend and reissue the financial statements.

Mt Malcolm Mines NL
Statement of profit or loss and other comprehensive income
For the period 9 December 2020 to 30 June 2021

	Note	Consolidated 9 December 2020 to 30 June 2021 \$
Revenue from continuing operations		
Other income	4	25
Expenses		
Corporate expense	4	(276,066)
Employee expense	4	(252,764)
Administration expense		(12,828)
Exploration and evaluation expense	4	(2,376,397)
Financial expense	4	(1,669)
Amortisation expense	4	(8,486)
Loss before income tax expense from continuing operations		(2,928,185)
Income tax expense		-
Loss after income tax expense for the period attributable to the owners of Mt Malcolm Mines NL		(2,928,185)
Other comprehensive income		-
Total comprehensive loss for the period attributable to the owners of Mt Malcolm Mines NL		<u>(2,928,185)</u>
		Cents
Loss per share for loss attributable to the owners of Mt Malcolm Mines NL		
Basic loss per share (cents)	30	(10.40)
Diluted loss per share (cents)	30	(10.40)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mt Malcolm Mines NL
Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 \$
Assets		
Current assets		
Cash and cash equivalents	6	431,462
Trade and other receivables	7	104,551
Total current assets		<u>536,013</u>
Non-current assets		
Other assets		8,133
Right-of-use assets	8	136,993
Exploration and evaluation	11	1,703,761
Total non-current assets		<u>1,848,887</u>
Total assets		<u>2,384,900</u>
Liabilities		
Current liabilities		
Trade and other payables	12	587,096
Lease liability	13	25,368
Total current liabilities		<u>612,464</u>
Non-current liabilities		
Lease liability	14	105,750
Total non-current liabilities		<u>105,750</u>
Total liabilities		<u>718,214</u>
Net assets		<u>1,666,686</u>
Equity		
Issued capital	15	4,342,871
Reserves	16	252,000
Accumulated losses	17	(2,928,185)
Total equity		<u>1,666,686</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Mt Malcolm Mines NL
Statement of changes in equity
For the period 9 December 2020 to 30 June 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 9 December 2020 (date of incorporation)	20	-	-	20
Loss after income tax expense for the period	-	-	(2,928,185)	(2,928,185)
Total comprehensive loss for the period	-	-	(2,928,185)	(2,928,165)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	4,272,851	-	-	4,272,851
Share-based payments	70,000	-	-	70,000
Option-based payments	-	252,000	-	252,000
Balance at 30 June 2021	<u>4,342,871</u>	<u>252,000</u>	<u>(2,928,185)</u>	<u>1,666,686</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Mt Malcolm Mines NL
Statement of cash flows
For the period 9 December 2020 to 30 June 2021

	Note	Consolidated 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	26	<u>(225,260)</u>
Net cash used in operating activities		<u>(225,260)</u>
Cash flows from investing activities		
Net cash received from acquisition of subsidiaries	9,10	180,924
Payments for purchase of tenements		(464,845)
Payments for security deposit		<u>(8,133)</u>
Net cash used in investing activities		<u>(292,054)</u>
Cash flows from financing activities		
Proceeds from issue of shares		1,000,000
Share issue transaction costs		(42,150)
Repayment of lease liabilities		<u>(9,074)</u>
Net cash from financing activities		<u>948,776</u>
Net increase in cash and cash equivalents		431,462
Cash and cash equivalents at the beginning of the period		<u>-</u>
Cash and cash equivalents at the end of the period	6	<u><u>431,462</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mt Malcolm Mines NL ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Mt Malcolm Mines NL and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 1. Significant accounting policies (continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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 ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Mt Malcolm Mines NL's functional and presentation currency.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Interest revenue is recognised as interest accrues.

Other revenue

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

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 1. Significant accounting policies (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Mt Malcolm Mines NL (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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 the consolidated entity's 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 the consolidated entity's 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.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other 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 an insignificant risk of changes in value.

For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

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 allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity 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.

Note 1. Significant accounting policies (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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 consolidated entity 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 consolidated entity 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.

Note 1. Significant accounting policies (continued)

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity 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 unless an alternative term is mutually agreed to.

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 consolidated entity'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.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Significant accounting policies (continued)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

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.

Note 1. Significant accounting policies (continued)

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.

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.

Dividends

Dividends are recognised when declared during the financial period and no longer at the discretion of the company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Note 1. Significant accounting policies (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Asset Acquisition not constituting a business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset or expensed in accordance with the consolidated entity's accounting policy.

Comparatives

There are no comparatives in this financial report as the Company was incorporated on 9 December 2020.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Mt Malcolm Mines NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset 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 tax authority is included in other receivables or other payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Going Concern

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 in the financial statements, the consolidated entity incurred a loss of \$2,928,185 and had net cash outflows from operating and investing activities of \$225,260 and \$292,054 respectively for the financial period 9 December 2020 to 30 June 2021. As at that date the consolidated entity had net current liabilities of \$76,451.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report because the consolidated entity successfully raised \$8,000,000 (before costs) through the issue of shares as part of its admission to ASX on 10 September 2021. (Refer to Note 29)

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 consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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 consolidated entity 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 consolidated entity 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 consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 31 for further information.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segment, being corporate and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Managing Director (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM as required.

Types of products and services

The principal products and services of this operating segment are the exploration operations in Australia.

	Corporate \$	Exploration \$	Total \$
Segmented losses	<u>(2,640,823)</u>	<u>(287,362)</u>	<u>(2,928,185)</u>
Current assets	368,373	167,640	536,013
Non-current assets			
- Exploration	-	1,703,761	1,703,761
- Other non-current assets	145,126	-	145,126
Total assets	<u>513,499</u>	<u>1,871,401</u>	<u>2,384,900</u>
Current liabilities	412,280	200,184	612,464
Non-current liabilities	105,750	-	105,750
Total liabilities	<u>518,030</u>	<u>200,184</u>	<u>718,214</u>
Net assets	<u>(4,531)</u>	<u>1,671,217</u>	<u>1,666,686</u>

Note 4. Revenues and expenses

	Consolidated 2021 \$
(a) Revenue from continuing operations	
Interest Income	<u>25</u>
(b) Expensed	
<i>Amortisation</i>	
Buildings right-of-use assets	<u>8,486</u>
Depreciation expensed	<u>8,486</u>
<i>Finance costs</i>	
Interest and finance charges paid/payable on lease liabilities	<u>1,669</u>
Finance costs expensed	<u>1,669</u>
<i>Exploration and evaluation expense</i>	
Exploration and evaluation expense on purchase of subsidiaries	2,157,973
Exploration expense	<u>218,424</u>
Exploration costs expensed	<u>2,376,397</u>
<i>Corporate expense</i>	
Capital raising expense	117,670
Professional consulting and statutory fees	126,263
Others	<u>32,133</u>
Corporate costs expensed	<u>276,066</u>
<i>Employee expense</i>	
Share-based payment expense	252,000
Other employee expenses	<u>764</u>
Employee costs expensed	<u>252,764</u>

Note 5. Income tax expense

	Consolidated 2021 \$
<i>Current tax expense</i>	
Current tax	-
Deferred tax - origination and reversal of temporary differences	-
Adjustment recognised for prior periods	-
	<hr/>
Aggregate income tax income deferred	-
	<hr/> <hr/>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>	
Loss before income tax expense from continuing operations	(2,928,185)
Tax at the statutory tax rate of 30%	(878,456)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	
Share based payments	75,600
Share based payment on acquisition of subsidiaries	647,392
Others	(2,390)
Deferred tax assets not recognised	157,854
	<hr/>
Income tax income at statutory tax rate 30% deferred	-
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The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

	Consolidated 2021 \$
Unrecognised deferred tax asset	
Right of use asset	2,546
Intangible assets	17,671
Accrued expense	9,600
Lease liability	(4,309)
Revenue losses	113,210
Blackhole	19,136
	<hr/>
	157,854
	<hr/>

Note 6. Current assets - cash and cash equivalents

	Consolidated 2021 \$
Cash at bank and in hand	<u>431,462</u>
<i>Reconciliation to cash and cash equivalents at the end of the financial period</i>	
The above figures are reconciled to cash and cash equivalents at the end of the period as shown in the statement of cash flows as follows:	
Balances as above	<u>431,462</u>
Balance as per statement of cash flows	<u><u>431,462</u></u>

Note 7. Current assets - trade and other receivables

	Consolidated 2020 \$
Prepayments	38,732
GST receivable	<u>65,819</u>
	<u><u>104,551</u></u>

Note 8. Non-current assets - right-of-use assets

	Consolidated 2021 \$
Land and buildings - right-of-use	145,479
Less: Accumulated depreciation	<u>(8,486)</u>
	<u><u>136,993</u></u>

Additions to the right-of-use assets during period 9 December 2020 to 30 June 2021 were \$145,479.

The consolidated entity leases land and buildings for its office leases under agreement of 3 years with an option to extend for an additional 2 years.

Note 9. Asset Acquisition - Mt Malcolm Gold Holdings Pty Ltd

On 23 December 2020, the company successfully completed its acquisition of 100% interest in Mt Malcolm Gold Holdings Pty Ltd (Gold). The company issued Gold's shareholders a total 10 million fully paid ordinary shares at fair value of \$0.10 per share and reimbursement of cash of \$150,000 to acquire all the outstanding shares in Gold.

	23 Dec 2020
	\$
Purchase consideration	1,150,000
Fair value of net assets acquired are as follows:	
Cash and cash equivalents	1,058
Trade and other receivables	28,348
Other deposit	50,000
Total assets	<u>79,406</u>
Other payables	16,149
Total liabilities	<u>16,149</u>
Net assets acquired	<u>63,257</u>
Exploration and evaluation expensed to profit or loss	<u>1,086,743</u>

Note 10. Asset acquisition - Aurum Mining Pty Ltd

On 23 December 2020, the company successfully completed its acquisition of 100% interest in Aurum Mining Pty Ltd (Aurum) and issued Aurum's shareholders a total 12,500,001 fully paid ordinary shares at fair value of \$0.10 per share to acquire all the outstanding shares in Aurum.

	23 Dec 2020
	\$
Purchase consideration	<u>1,250,000</u>
Fair value of net assets acquired are as follows:	
Cash and cash equivalents	179,866
Trade and other receivables	9,139
Total assets	<u>189,005</u>
Other payables	10,235
Total liabilities	<u>10,235</u>
Net assets acquired	<u>178,770</u>
Exploration and evaluation expensed to profit or loss	<u>1,071,230</u>

Note 11. Non-current assets - exploration and evaluation

	Consolidated 2021 \$
Exploration and evaluation - at cost	<u>1,703,761</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Consolidated	Exploration and evaluation \$
Balance at 9 December 2020	-
Add – purchase of tenements	<u>1,703,761</u>
Balance at 30 June 2021	<u>1,703,761</u>

Note 12. Current liabilities - trade and other payables

	Consolidated 2021 \$
Trade payables	292,093
Other payables	<u>295,003</u>
	<u>587,096</u>

Refer to note 18 for further information on financial instruments.

Note 13. Current liabilities - lease liabilities

	Consolidated 2021 \$
Lease liability	<u>25,368</u>

Refer to note 18 for further information on financial instruments.

Note 14. Non-current liabilities - lease liabilities

	Consolidated 2021 \$
Lease liability	<u>105,750</u>

Refer to note 18 for further information on financial instruments.

Note 15. Equity - issued capital

		Consolidated		
		2021	2021	
		Shares		\$
Ordinary shares - fully paid		43,852,001		4,342,871
<i>Movements in ordinary share capital</i>				
Details	Date	Shares	Issue price	\$
Balance	9 December 2020	2,000	\$0.01	20.00
Share issue transaction cost, net of tax	9 December 2020			(863)
Issue shares – purchase Mt Malcolm Gold Holdings Pty Ltd	23 December 2020	10,000,000	\$0.10	1,000,000
Issue shares – purchase Aurum Mining Pty Ltd	23 December 2020	12,500,001	\$0.10	1,250,000
Issue shares – capital raising	24 February 2021	10,000,000	\$0.10	1,000,000
Share issue transaction cost, net of tax	24 February 2021			(41,195)
Issue shares – purchase of tenements	31 May 2021	4,170,000	\$0.10	417,000
Issue shares – purchase of tenements	21 June 2021	6,480,000	\$0.10	648,000
Issue shares – payment of legal fees	21 June 2021	700,000	\$0.10	70,000
Share issue transaction costs, net of tax	21 June 2021			(91)
Balance	30 June 2021	43,852,001		4,342,871

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

Note 16. Equity - reserves

	Consolidated 2021 \$
Option reserve	252,000
	<u>252,000</u>

Share-based payments

The reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

Movements in reserves

Movements in each class of reserve during the current and previous financial period are set out below:

	Consolidated 2021 \$
<i>Option reserve</i>	
Balance at 9 December 2020	-
share based payments	252,000
Balance at 30 June 2021	<u>252,000</u>

Note 17. Equity – accumulated losses

	Consolidated 2021 \$
Accumulated losses at 9 December 2020 (date of incorporation)	-
Loss after income tax expense for the period	2,928,185
Accumulated losses 30 June 2021	<u>2,928,185</u>

Note 18. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. The Board, evaluates and hedges financial risks within the consolidated entity's operating units.

Market risk

Foreign currency risk

Current, the consolidated entity is not undertaking transactions denominated in foreign currency and is therefore not exposed to foreign currency risk through foreign exchange rate fluctuations.

Note 18. Financial instruments (continued)

Interest rate risk

The consolidated entity's main interest rate risk arises from changes in the market interest rates for cash balances.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity.

For banks and financial institutions, only independently rate parties with a minimum rate of 'A' are accepted.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	292,093	-	-	-	292,093
Other payables	-	295,003	-	-	-	295,003
<i>Interest-bearing - fixed rate</i>						
Lease liability	4.90%	25,368	26,706	79,044	-	131,118
Total non-derivatives		612,464	26,706	79,044	-	718,214

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2021 \$
Short-term employee benefits	8,250
Share-based payments	<u>252,000</u>
	<u><u>260,250</u></u>

Note 20. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company, its network firms and unrelated firms:

	Consolidated 2021 \$
<i>Audit services – RSM Australia Partners</i>	
Audit or review of the financial statements	<u><u>66,500</u></u>

Note 21. Contingent liabilities

As part of the acquisition of Gold, the Company has agreed to pay the seller a royalty of between 2.0% - 2.5% gross revenue derived from minerals produced and sold from the tenements.

Other than the above, there are no contingent liabilities at 30 June 2021.

Note 22. Commitments

Tenement expenditure commitments

At 30 June 2021, the consolidated entity has committed, under tenement landholding conditions, to spend a minimum of \$817,346 per annum.

Mt Malcolm Mines NL
Notes to the financial statements
30 June 2021

Note 23. Related party transactions

Parent entity

Mt Malcolm Mines NL is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

Transactions with related parties

During the period 9 December 2020 to 30 June 2021, payments (exclusive of GST) were made to director related entities as follows:

KMP	Related Party	Payment Related To	Amount	Payment type
Robert Downey	Dominion Legal Pty Ltd	Legal Fees	\$70,000	700,000 shares @ \$0.10 per share.
			\$60,757	Paid upon listing.
Trevor Dixon	Trevor Dixon	Mt Malcolm Mines NL purchase of Mt Malcolm Gold Holdings Pty Ltd	\$1,150,000	10,000,000 shares @ \$0.10 per share.
				\$100,000 reimbursement for cost incurred, paid upon listing.
				\$50,000 consulting fees from 1 July 2020 – 23 December 2020, paid upon listing.
Trevor Dixon	Trevor Dixon	Mt Malcolm Mines NL purchase of Aurum Mining Pty Ltd	\$225,000	2,250,000 shares @ \$0.10 per share.
Trevor Dixon	Trevor Dixon	Purchase of tenements	\$660,000	\$56,000 reimbursement for cost incurred, paid upon listing.
				6,040,000 shares @ \$0.10 per share.
	Drylands Pty Ltd		\$44,000	440,000 shares @ \$0.10 per share.
Trevor Dixon	Trevor Dixon	Consulting Fees	\$20,000	Total paid in monthly instalments.
Paul Maher	Paul Maher	Consulting Fees	\$20,500	Total paid in monthly instalments.

Note the below balances are payable to key management personnel and their related parties at 30 June 2021:

KMP	Related Party	Payment Related to	Amount
Robert Downey	Dominion Legal Pty Ltd	Legal Fees.	\$60,757
Trevor Dixon	Trevor Dixon	Mt Malcolm Mines NL purchase of Mt Malcolm Gold Holdings Pty Ltd.	\$150,000
Trevor Dixon	Trevor Dixon	Reimbursement for cost incurred, paid upon listing.	\$56,000

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

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

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2021 \$
Loss after income tax for the period	<u>(482,852)</u>
Total comprehensive loss for the period	<u>(482,852)</u>

Statement of financial position

	Parent 2021 \$
Total current assets	<u>368,373</u>
Total assets	<u>4,730,271</u>
Total current liabilities	<u>412,282</u>
Total liabilities	<u>618,252</u>
Equity	
Issued capital	4,342,871
Option reserve	252,000
Accumulated losses	<u>(482,852)</u>
Total equity	<u><u>4,112,019</u></u>

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021.

Note 25. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %
Mt Malcolm Gold Holdings Pty Ltd	Australia	100%
Aurum Mining Pty Ltd	Australia	100%

Note 26. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated 2021 \$
Loss after income tax expense for the period	(2,928,185)
Adjustments for:	
Amortisation	8,486
Share-based payments	322,000
Exploration and evaluation expenses	2,157,973
Change in operating assets and liabilities:	
Increase in trade and other receivables	(63,231)
Increase in trade and other payables	277,697
Net cash used in operating activities	<u>(225,260)</u>

Note 27. Non-cash investing and financing activities

	Consolidated 2021 \$
Acquisition of the right-of-use assets (note 8)	145,479
Partial settlement of asset acquisition through the issue of shares (notes 9,10)	2,250,000
Partial settlement of purchase of tenements through the issue of shares	1,065,000
	<u>3,460,479</u>

Note 28. Changes in liabilities arising from financing activities

Consolidated	Lease liability \$
Balance at 9 December 2020	-
Net cash (used in) financing activities	(9,074)
Acquisition of leases	138,546
Other changes	1,646
Balance at 30 June 2021	<u>131,118</u>

Note 29. Events after the reporting period

Subsequent to the reporting date:

- on the 3 September 2021, Mt Malcolm Mines NL issued 40 million shares at \$0.20 per share for proceeds of \$8,000,000 (before cost).
- Mt Malcolm Mines NL listed on the Australian Stock Exchange on the 10 September 2021, debuting with a price of \$0.25 per share.
- Mt Malcolm Mines NL on 10 September 2021, issued to Morgans Corporate Ltd 2,515,560 options with exercise price of \$0.30 on or before 10 September 2024.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 30. Earnings per share

	Consolidated 2021 \$
<i>Earnings per share for profit from continuing operations</i>	
Loss after income tax	(2,928,185)
Loss after income tax attributable to the owners of Mt Malcolm Mines NL used in calculating diluted loss per share	<u>(2,928,185)</u>
	Cents 2021
Basic loss per share (cents)	(10.40)
Diluted loss per share (cents)	(10.40)
	Number 2021
<i>Weighted average number of ordinary shares</i>	
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	<u>28,169,011</u>

Note 31. Share-based payments

Value of share-based payments in the financial statements

	Consolidated 2021 \$
Share based payments in lieu of fees- shares issued	70,000
Share based payments to KMP- options issued	252,000
Recognised on statement of profit or loss and other comprehensive income	<u>322,000</u>
Share based payments for acquisition of tenements-shares issued	1,065,000
Share based payments for acquisition of subsidiaries- share issued	2,250,000
Recognised on statement of financial position	<u>3,315,000</u>

Shares:

During the period, the consolidated entity issued 700,000 to Robert Downey in consideration for consultancy and legal services provided. The fair value of the share is \$0.10 with total value of \$70,000.

Options:

On 21 June 2021, 6,000,000 options were issued to key management personnel at an issue price of \$0.042 per option and a total transactional value of \$252,000.

The options were approved by shareholders at a general meeting held on 21 June 2021.

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
21 June 2021	30 June 2025	\$0.30	-	6,000,000	-	-	6,000,000
			-	6,000,000	-	-	6,000,000
Weighted average exercise price			\$0.00	\$0.30	\$0.00	\$0.00	\$0.30

Set out below are the options exercisable at the end of the financial period:

2021		
Grant date	Expiry date	Number
21 June 2021	30 June 2025	6,000,000
		<u>6,000,000</u>

The weighted average remaining contractual life of options outstanding at the end of the financial period was 3.96 years.

For the options granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
21 June 2021	30 June 2025	\$0.10	\$0.30	100.00%	0.00%	0.80%	\$0.042

Mt Malcolm Mines NL
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial period 9 December 2020 to 30 June 2021; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Trevor Dixon
Managing Director

28 September 2021
Perth

RSM Australia Partners

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MT MALCOLM MINES NL**

Opinion

We have audited the financial report of Mt Malcolm Mines NL (the Company) and its subsidiaries (the Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2021, 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 9 December 2020 to 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of 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 2021 and of its financial performance for the period 9 December 2020 to 30 June 2021; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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 this matter
Carrying Value of Exploration and Evaluation Refer to Notes 11 in the financial statements	
<p>The Consolidated Entity has exploration and evaluation with a carrying value of \$1,703,761 as at 30 June 2021.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the assets including:</p> <ul style="list-style-type: none"> • Determination of whether additions to exploration and evaluation are in compliance with AASB 6 Exploration for and Evaluation of Mineral Resources; • Determination of whether the exploration and evaluation can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present and if so, judgement applied to determined and quantify any impairment loss; and • Assessing whether exploration activities have reached a stage at which the existence of an economically recoverable reserves may be determined. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that the right to tenure of the area of interest was current; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Assessing and evaluating management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined; and • Assessing and evaluating management's assessment of whether indicators of impairment existed at the reporting date.
Acquisition of Aurum Mining Pty Ltd and Mt Malcolm Gold Holdings Pty Ltd Refer to Notes 9 and 10 in the financial statements	
<p>During the financial period, the Consolidated Entity completed its acquisition of 100% interest in Aurum Mining Pty Ltd and Mt Malcolm Gold Holdings Pty Ltd for a consideration of \$1,250,000 and \$1,150,000 respectively.</p> <p>We considered the accounting for this acquisition is a key audit matter because it involved the exercise of judgment in relation to:</p> <ul style="list-style-type: none"> • Determining whether the transaction is a business combination or an asset acquisition, based on whether the definition of a business in AASB 3 Business Combinations was met; • Determining the fair value of the consideration paid; and • Determining the acquisition date. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Reviewing the share sale agreement identifying key terms and conditions; • Evaluating management's determination that the acquisition did not meet the definition of a business within AASB 3 Business Combinations and therefore was an asset acquisition as opposed to a business combination; • Evaluating the assumptions and methodology in management's determination of the fair value assets and liabilities acquired; • Assessing management's determination of the fair value of consideration paid and the acquisition date; and • Assessing the appropriateness of the disclosures in the financial report.

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 9 December 2020 to 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity 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 have 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the period 9 December 2020 to 30 June 2021.

In our opinion, the Remuneration Report of Mt Malcolm Mines NL, for the period 9 December 2020 to 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 28 September 2021

Mt Malcolm Mines NL

Shareholder information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. This information is current as at 20 September 2021.

Registered office and principal administrative office

The address of the registered office in Australia is C/- Nexia Perth, Level 3, 88 William Street, Perth, WA, 6000.
Telephone + 61 8 9463 2463

The principal administrative office is 8 Sarich Court, Osborne Park, WA, 6019.
Telephone + 61 8 6244 6617

Register of securities are held at the following address:

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Telephone + 61 8 9389 8033

Restricted securities

The Company has the following securities subject to ASX imposed escrow.

Security	Restriction Period	Number
Shares	Expiring 23 December 2021	7,725,001
Shares	Expiring 24 February 2022	4,850,000
Shares	Expiring 25 February 2022	125,000
Shares	Expiring 4 June 2022	3,575,000
Shares	Expiring 10 September 2023	22,576,000
Options	Expiring 10 September 2023	8,515,560

Distribution of shareholders

	Ordinary shares	
	Number of shares	Number of holders
1 to 1,000	1	1
1,001 to 5,000	113,968	32
5,001 to 10,000	816,924	84
10,001 to 100,000	15,331,216	322
100,001 and over	67,589,892	112
	<u>83,852,001</u>	<u>551</u>

Less than marketable parcels of shares

The number of shareholdings held in less than marketable parcels is 13 given a share value of 20 cents per share.

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.

Options

Options over ordinary shares do not carry voting rights.

Mt Malcolm Mines NL
Shareholder information

20 largest shareholders – ordinary shares

The names of the twenty largest ordinary shareholders are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Mr Trevor John Dixon	18,766,000	22.38%
Orbit Drilling Pty Ltd	3,232,500	3.86%
The Pioneer Development Fund (Aust) Limited	2,500,000	2.98%
Redland Plains Pty Ltd <Brian Bernard Rodan S/F A/C>	3,750,000	4.48%
Kingston Nominees Pty Ltd	2,000,000	2.38%
Deltaflex Pty Ltd	1,875,000	2.24%
Mr Jason Frank Madalena < Madalena Investment A/C>	1,250,000	1.49%
Tuffaco Pty Ltd <Tuffin Family A/C>	1,250,000	1.49%
Mr Cameon Lloyd Williams <C Williams Family A/C>	1,250,000	1.49%
Metal Tiger Plc	1,000,000	1.19%
Mr Kenneth Joseph Hall < Hall Park A/C>	1,000,000	1.19%
Apertus Capital Pty Ltd	1,000,000	1.19%
Magnetic Resources NL	1,000,000	1.19%
Brispot Nominees Pty Ltd <House Head Nominee A/C>	950,000	1.13%
Certane CT Pty Ltd <BC1>	850,000	1.01%
Jackie Au Yeung	800,000	0.95%
NANDIL Pty Ltd	795,887	0.95%
Mr Scott Fredrick Yull + Mrs Katrina Jean Yull <S F YULL Super Fund A/C>	750,000	0.89%
ANCAN Investments Pty Ltd	750,000	0.89%
Mrs Stella Emily Downey	701,000	0.84%
	45,470,387	54.22%

Substantial holders

Substantial holders listed in the Company's holding register as at 20 September 2021:

	Ordinary shares	
	Number held	% of total shares Issued
Mr Trevor John Dixon	18,766,000	22.38%

Mr Dixon also holds a beneficial interest in Drylands Pty Ltd, an entity that owns 440,000 ordinary shares in the Company.

Listing Rule 4.10.19 reporting

The Company listed on ASX on 10 September 2021 and will be reporting against the requirements of Listing Rule 4.10.19 in its Annual Reports for 30 June 2022 and 30 June 2023.

Mt Malcolm Mines NL
Shareholder information

Unlisted Options

	Unlisted Options	
	Number held	% held
Banff Capital Investments Pty Ltd	1,257,780	50.00%
Berne No 132 Nominees Pty Ltd <58540 A/C>	1,257,780	50.00%
	<u>2,515,560</u>	<u>100.00%</u>

These advisor options are exercisable at \$0.30 on or before 10 September 2024.

	Unlisted Options	
	Number held	% held
Mr Trevor John Dixon	2,000,000	33.33%
Mrs Stella Emily Downey	1,000,000	16.67%
Tuffaco Pty Ltd <Tuffin Family A/C>	1,000,000	16.67%
Mrs Maria Powell	1,000,000	16.67%
Mr Paul Joseph Maher	1,000,000	16.67%
	<u>6,000,000</u>	<u>100.00%</u>

These director and employee options are exercisable at \$0.30 on or before 30 June 2025.

Mt Malcolm Mines NL
Shareholder information – Interest in Mining Tenements and Royalties

As at 20 September 2021

State	Tenement Number	Project	Status	Interest	Royalty Agreement
WA	P37/8791	Calypso Prospect	Live	100%	2.50%
WA	P37/8792	Calypso Prospect	Live	100%	2.50%
WA	P37/8793	Calypso Prospect	Live	100%	2.50%
WA	P37/9105	Calypso Prospect	Live	100%	2.50%
WA	P37/9430	Calypso Prospect	Pending	0%	
WA	P37/9431	Calypso Prospect	Pending	0%	
WA	P37/9432	Calypso Prospect	Pending	0%	
WA	P37/9433	Calypso Prospect	Pending	0%	
WA	P37/9434	Calypso Prospect	Pending	0%	
WA	P37/8568	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8649	Emu Egg Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8651	Emu Egg Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8659	Emu Egg Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8660	Emu Egg Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8661	Emu Egg Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8664	Emu Egg Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8665	Emu Egg Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8890	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8891	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8892	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8893	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8894	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8895	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8896	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8897	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8898	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8899	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8900	Emu Egg Prospect	Live	100%	2.50%
WA	P37/9239	Emu Egg Prospect	Live	100%	2.50%
WA	P37/8650	Germatong Prospect	Live	100%	2.50%
WA	P37/8652	Germatong Prospect	Live	100%	2.50%
WA	P37/8653	Germatong Prospect	Live	100%	2.50%
WA	P37/8663	Germatong Prospect	Live	100%	2.50%
WA	E37/1367	Malcolm Dam Prospect	Live	100%	2.00%
WA	E37/1419	Malcolm Dam Prospect	Live	100%	2.00%
WA	M37/475	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8523	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8524	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8730	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8731	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8733	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8745	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8746	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8747	Malcolm Dam Prospect	Live	100%	2.50%

Mt Malcolm Mines NL
Shareholder information

State	Tenement Number	Project	Status	Interest	Royalty Agreement
WA	P37/8748	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8754	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8864	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8865	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/8866	Malcolm Dam Prospect	Live	100%	2.50%
WA	P37/9204	Malcolm Dam Prospect	Live	100%	2.00%
WA	P37/9205	Malcolm Dam Prospect	Live	100%	2.00%
WA	P37/9206	Malcolm Dam Prospect	Live	100%	2.00%
WA	P37/9207	Malcolm Dam Prospect	Live	100%	2.00%
WA	P37/9208	Malcolm Dam Prospect	Live	100%	2.50%
WA	E37/1331	Malcolm Mining Centre Prospect	Live	100%	2.00%
WA	P37/8732	Malcolm Mining Centre Prospect	Live	100%	2.50%
WA	P37/8820	Malcolm Mining Centre Prospect	Live	100%	2.50%
WA	P37/8821	Malcolm Mining Centre Prospect	Live	100%	2.50%
WA	P37/8822	Malcolm Mining Centre Prospect	Live	100%	2.50%
WA	P37/8823	Malcolm Mining Centre Prospect	Live	100%	2.50%
WA	P37/8824	Malcolm Mining Centre Prospect	Live	100%	2.50%
WA	P37/8825	Malcolm Mining Centre Prospect	Live	100%	2.50%
WA	P37/8826	Malcolm Mining Centre Prospect	Live	100%	2.50%
WA	P37/8905	Malcolm Mining Centre Prospect	Live	100%	2.00%
WA	P37/9369	Malcolm Mining Centre Prospect	Pending	0%	
WA	P37/9495	Malcolm Mining Centre Prospect	Pending	0%	
WA	P37/9497	Malcolm Mining Centre Prospect	Pending	0%	
WA	P37/8314	Mt George Project Prospect	Live	100%	2.50%
WA	P37/8648	Mt George Project Prospect	Live	100%	2.50%
WA	P37/8662	Mt George Project Prospect	Live	100%	2.50%
WA	P37/8862	Mt George Project Prospect	Live	100%	2.50%
WA	P37/8863	Mt George Project Prospect	Live	100%	2.50%
WA	P37/8928	Mt George Project Prospect	Live	100%	2.50%
WA	P37/9479	Mt George Project Prospect	Pending	0%	2.50%
WA	P37/9480	Mt George Project Prospect	Pending	0%	2.50%
WA	P37/9481	Mt George Project Prospect	Pending	0%	2.50%
WA	M37/1363	Mt George Project Prospect	Pending	0%	2.50%
WA	M37/1361	Mt Stewart Prospect	Pending	0%	2.0% - 49% 2.5% - 51%
WA	M37/1362	Mt Stewart Prospect	Pending	0%	2.0% - 49% 2.5% - 51%
WA	P37/8578	Mt Stewart Prospect	Live	100%	2.50%
WA	P37/8579	Mt Stewart Prospect	Live	100%	2.50%
WA	P37/8580	Mt Stewart Prospect	Live	100%	2.50%
WA	P37/8581	Mt Stewart Prospect	Live	100%	2.50%
WA	P37/8623	Mt Stewart Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8624	Mt Stewart Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8625	Mt Stewart Prospect	Live	100%	2.50%
WA	P37/8626	Mt Stewart Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8627	Mt Stewart Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8628	Mt Stewart Prospect	Live	100%	2.50%

Mt Malcolm Mines NL
Shareholder information

State	Tenement Number	Project	Status	Interest	Royalty Agreement
WA	P37/8629	Mt Stewart Prospect	Live	100%	2.50%
WA	P37/8630	Mt Stewart Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8631	Mt Stewart Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/8632	Mt Stewart Prospect	Live	100%	2.0% - 49% 2.5% - 51%
WA	P37/9367	Mt Stewart Prospect	Pending	0%	2.50%
WA	P37/9368	Mt Stewart Prospect	Pending	0%	2.50%
WA	P37/9370	Mt Stewart Prospect	Pending	0%	2.50%
WA	P37/9428	Mt Stewart Prospect	Pending	0%	
WA	P37/9429	Mt Stewart Prospect	Pending	0%	
WA	P37/9496	Mt Stewart Prospect	Pending	0%	
WA	M37/1353	Pig Well Prospect	Live	100%	2.50%
WA	P37/8608	Pig Well Prospect	Live	100%	2.50%
WA	P37/9182	Pig Well Prospect	Live	100%	2.00%
WA	P37/9183	Pig Well Prospect	Live	100%	2.00%
WA	P37/9184	Pig Well Prospect	Live	100%	2.00%
WA	P37/9185	Pig Well Prospect	Live	100%	2.00%
WA	P37/9186	Pig Well Prospect	Live	100%	2.00%
WA	P37/9187	Pig Well Prospect	Live	100%	2.00%
WA	P37/9188	Pig Well Prospect	Live	100%	2.00%
WA	P37/9189	Pig Well Prospect	Live	100%	2.00%
WA	P37/9190	Pig Well Prospect	Live	100%	2.00%
WA	P37/9191	Pig Well Prospect	Live	100%	2.00%
WA	P37/9192	Pig Well Prospect	Live	100%	2.00%
WA	P37/9193	Pig Well Prospect	Live	100%	2.00%
WA	P37/9194	Pig Well Prospect	Live	100%	2.00%
WA	P37/9195	Pig Well Prospect	Live	100%	2.00%
WA	P37/9196	Pig Well Prospect	Live	100%	2.00%
WA	P37/9197	Pig Well Prospect	Live	100%	2.00%
WA	P37/9198	Pig Well Prospect	Live	100%	2.00%
WA	P37/9199	Pig Well Prospect	Live	100%	2.00%
WA	P37/9200	Pig Well Prospect	Live	100%	2.00%
WA	P37/9201	Pig Well Prospect	Live	100%	2.00%
WA	P37/9202	Pig Well Prospect	Live	100%	2.00%
WA	P37/9462	Pig Well Prospect	Pending	0%	
WA	P37/9463	Pig Well Prospect	Pending	0%	
WA	P37/9464	Pig Well Prospect	Pending	0%	
WA	P37/9465	Pig Well Prospect	Pending	0%	
WA	P37/8871	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/8872	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/8873	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/8874	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/8876	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/8877	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/8878	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/8879	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9071	Sunday Picnic Prospect	Live	100%	2.50%

Mt Malcolm Mines NL
Shareholder information

State	Tenement Number	Project	Status	Interest	Royalty Agreement
WA	P37/9072	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9073	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9074	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9075	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9076	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9077	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9361	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9362	Sunday Picnic Prospect	Live	100%	2.50%
WA	P37/9366	Sunday Picnic Prospect	Live	100%	2.50%

The consolidated entity has entered into royalty deeds for a number of the tenements. The percentage of royalty agreed to ("Royalty Percentage"), for each tenement, is included in the above table. The royalty obligation is for each quarter, in which any product is produced and sold, removed or otherwise disposed of by or on behalf of the Payer, the Payer agrees to the Royalty Percentage.