



AFM PERSEUS  
FUND LIMITED

ABN 71 087 023 612

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**Annual Report**  
**for the Year ended**  
**30 June 2023**

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**CORPORATE DIRECTORY  
FOR THE YEAR ENDED 30 JUNE 2023**

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**Licensee**

Argonaut Funds Management Pty Ltd  
ACN: 101 152 863  
AFSL No: 224815  
Level 30, Allendale Square,  
77 St Georges Terrace,  
Perth, WA 6000.

**Legal Advisers**

Steinepreis Paganin  
Level 4  
16 Milligan Street  
Perth WA 6000

**Directors**

Mr David Franklyn – Executive Director  
Mr Edward Rigg – Non-Executive Chairman  
Mr Glen Colgan – Non-Executive Director

**Auditors**

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008

**Fund Secretary**

Ms Alison Thompson

**Investment Advisory Committee**

Mr David Franklyn  
Mr Benjamin Clifford  
Mr Glen Colgan  
Mr Kevin Johnson  
Ms Cathy Moises  
Dr Dianmin Chen

**Registered Office**

Level 30  
Allendale Square  
77 St Georges Terrace  
Perth WA 6000

Telephone: +61 8 9224 6888  
Facsimile: +61 8 9225 5511

**Share Registrar**

Advanced Share Registry Ltd  
110 Stirling Highway  
Nedlands WA 6009

Telephone: +61 8 9389 8033  
Facsimile: +61 8 6370 4203

**Manager**

AFM Zeus Pty Ltd  
A corporate representative of  
Argonaut Funds Management Pty Ltd  
AFSL No 224815



## CHAIRMAN'S LETTER

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September 2023

Dear Shareholder,

The AFM Perseus Fund performed soundly in the financial year ended 30 June 2023, delivering a positive return of 4.2%. This compares to the 3.8% gain from the benchmark, the S&P ASX Small Resources Index. The net asset value as at 30 June 2023 was 26.29 cents.

Since the Fund's "restart" on 1 January 2020, the Fund has delivered a return of 199.1%, assuming the reinvestment of dividends. The Fund's benchmark gained 33.4% over the same time horizon.

During the year, AFM Perseus completed an equal access buy-back offer to shareholders at a price of 27.14 cents per share. This offer provided a liquidity event for shareholders and resulted in the buy-back and subsequent cancellation of 4,836,625 shares at a cost of \$1,312,660. The number of shareholders in the Fund reduced from 127 to 48.

At 30 June 2023, AFM Perseus had net assets of \$916,328 and a share price of 26.29 cents. The Fund also has \$603,765 in deferred tax losses not recorded on the balance sheet that are available to offset against future taxable profits. This equates to an additional 17.32 cents per share.

The AFM Perseus Fund is a high conviction investor in the Australian small resources sector – being those resource and mining service companies outside the ASX 100. The strong performance has been underpinned by our rigorous investment process, which involves an analysis of the prevailing market conditions, an assessment of the global macroeconomic environment, and a detailed analysis of specific listed companies.

The portfolio continues to maintain significant exposure to the energy transition theme via investments in companies producing copper, lithium, nickel and uranium – commodities that will be required in increasing quantities as the world transitions away from fossil fuels.

Thank you for your continued support of AFM Perseus Fund.

A handwritten signature in dark ink, appearing to read 'E Rigg', is written over a light grey circular watermark that contains the text 'AFM PERSEUS FUND LIMITED'.

**EDWARD RIGG**

Chairman  
Argonaut Funds Management



## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

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Your Directors present their report on the Company for the year ended 30 June 2023.

### Directors

The names of the Directors in office at any time during or since the end of the year are:

Edward Rigg	Non-Executive Director	Appointed 18 October 2005
	Non-Executive Chairman	Appointed 12 November 2019
Glen Colgan	Non-Executive Director	Appointed 29 November 2019
David Franklyn	Executive Director	Appointed 30 October 2019

The Directors as at 30 June 2023 are Edward Rigg (Chairman), Glen Colgan, and David Franklyn.

### Edward Rigg – Chairman

Edward is a co-founder of Argonaut. He has extensive experience in the execution of M&A and capital raisings for both public and private companies and is an active originator of domestic and cross border transactions for small cap through to large multinational entities and SOEs predominantly in the metals and mining and energy sectors. Prior to establishing Argonaut, Edward was Executive Director, Investment Banking of CIBC World Markets, a global investment bank. Edward is a 40under40 and City of Perth Business Award winner.

Edward is a Responsible Manager for Argonaut Funds Management Pty Ltd under the Australian Financial Services Licence regime.

### David Franklyn – Executive

David is an Executive Director and Joint Head of Funds Management at Argonaut. He is also Fund Manager of Argonaut Natural Resources Fund.

David has over 25 years of financial market experience, including almost ten years as head of research at a leading small companies' stockbroker and ten years as managing director of a boutique funds management business. David is an experienced business executive, having held senior roles in ASX listed and unlisted companies.

David is a Responsible Manager for Argonaut Funds Management Pty Ltd under the Australian Financial Services Licence regime.

### Glen Colgan – Non-Executive

Glen has more than 30 years' experience in the financial sector, in particular the Australian stockbroking industry. He has extensive experience in most facets of share trading and advisory having worked as a trading floor operator, designated trading representative, private client advisor and corporate stockbroker.

Prior to joining Argonaut in 2006, Glen spent 6 years as Branch Manager of a successful Goldfields-based stockbroking operation, where he gained a detailed knowledge of the mining and mineral exploration industries. Glen traditionally specialises in small to mid-cap resources stocks and also provides equities investment advice for portfolios, is qualified to advise on Superannuation and is a Level 1 Accredited Derivatives Advisor.



**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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**Meetings of Directors**

The number of meetings of the company's Board of Directors held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	<u>Number eligible to attend</u>	<u>Number attended</u>
Edward Rigg	3	2
Glen Colgan	3	2
David Franklyn	3	3

**Operating Results**

The Company recorded a profit for the year ended 30 June 2023 amounting to \$172,704 (2022: \$675,085).

	<b>2023</b>	<b>2022</b>
Total comprehensive profit for the period (\$)	172,704	675,085
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS (#)	7,938,209	8,265,075
Basic earnings per share (¢)	<b>2.1756</b>	<b>8.1679</b>

**Dividends Paid or Recommended**

Dividends of \$332,900 were paid during the year (2022: \$161,856).

**Options**

There were no options on issue as at 30 June 2023 (2022: Nil).

**Review of Financial Position**

The Company's net asset position for the year ended 30 June 2023 was \$916,328 (2022: \$2,397,822).

**Review of Operations**

*Investment Process*

The investment manager has a rigorous investment system. Decisions are based on a three-step investment process:

- **Step One** is a high-level assessment of the overall market;
- **Step Two** is a macro assessment of global trends, favoured commodities, and preferred operating locations; and
- **Step Three** consists of specific micro-company analysis focusing on our "5 Bricks" investment analysis system, which assesses companies based on five criteria – management, valuation, financial strength, business strength and responsible investing.

*Portfolio Summary*

As at 30 June 2023, the Fund's portfolio consisted of 13 separate investments with exposures to Energy Transition (53%), Gold (33%), Other Opportunities (8%) and Cash (6%).



**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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As at 30 June 2023, the Top 5 stock holdings were:

Company	Weighting	Commodity
Silver Lake	12.5%	Gold
Lunnon Metals	11.6%	Nickel
Develop Group	11.1%	Cu,Zn,Li
Genesis Minerals	10.9%	Gold
Abyssinian Metals	10.0%	Lithium

Three key themes impacted resource markets in FY2023:

**COVID** – The focus for much of FY2023 was the financial implications of COVID rather than the virus itself. The period of excessive economic stimulus flowed through to a blow out in inflation – setting up a period of sustained interest rate increases.

**Energy Transition** – Decarbonisation and the transition away from fossil fuels remained a key thematic for FY2023. Electric vehicle demand continued to surge, renewable energy projects accelerated, and nuclear power re-entered the discussion as a clean energy source. Recognition grows that a key constraint is whether the mining industry can deliver the required quantity of resources against a backdrop of elongated development timeframes and a lack of high-quality projects in key commodities such as copper, nickel, lithium, graphite, and rare earths.

**Geopolitical Risk** – Supply chains continue to be reconfigured as countries reassess who they see as long-term reliable partners. Tensions remain between the US and China, whilst the Russia / Ukraine war drags on with a horrifying loss of life and general destruction.

The small resources market has been volatile for much of FY2023, and as such we have adopted a cautious investment approach. Further, after posting strong gains since the "restart" in January 2020, the Fund determined to provide a liquidity event for shareholders via an equal access buy back at 27.14 cents per share. This resulted in the buy-back of 4,836,625 shares at a cost of \$1,312,660.

#### **Fees and Charges**

During the financial year there were no Directors fees paid.

During the financial year management fees of \$39,052 were accrued or paid and no performance fees accrued or paid.

#### **Principal Activities**

During the financial year, the company's principal business activity was the buying and selling of securities in the financial markets with a view to generating profits.

#### **Significant Changes in the State of Affairs**

Since the share buy-back in June 2023, Argonaut PCF Limited's voting rights increased from 19.04% to 45.46%. Argonaut PCF Limited determined that it has significant influence over the Company under AASB 128, resulting in its investment in the Company being classified as an Associate.

Chairman Edward Rigg, via his controlled holding in EGR Management Pty Ltd, has 19.15% of the Company's voting rights. With Edward's significant influence over Argonaut PCF Limited, he effectively controls 64.61% of the Company's voting rights.



## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

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### Likely Developments and Results

Our intention is to maintain strong investment performance which will enable the utilisation of the remaining tax losses available to the Fund.

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

### Indemnifying Officers or Auditors

Indemnities have been given for the Directors to the maximum extent permitted by law. Apart from these indemnities, the Company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been made an Officer or Auditor of the Company.

In accordance with the Corporations Act 2001, the company pays a premium to insure Officers against any liability incurred as an Officer of that entity or of a related body corporate. This may include a liability for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome.

### Proceedings on Behalf of the Company

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

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

### Events Subsequent to the Reporting Date

A review of the Fund's investment portfolio has been performed at 25 August 2023. The cost of investments (incl cash) was \$1,285,632 (30 June 2023: \$1,272,568). The market value of investments (incl. cash) was \$912,275 (30 June 2023: \$931,827). The movement in the market value of investments is wholly attributable to the share market fluctuations and the disposal and acquisition of the Fund's shareholdings during the period.

### Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporation Act is set out on page 7.

Dated at Perth this 5th day of September 2023.

Signed in accordance with a resolution of the Board of Directors.

**DAVID FRANKLYN**  
Director



To the Board of Directors,

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

As lead audit Director for the audit of the financial statements of AFM Perseus Fund Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

Hall Chadwick

**HALL CHADWICK WA AUDIT PTY LTD**



**MARK DELAURENTIS** CA  
Director

Dated Perth, Western Australia this 5<sup>th</sup> day of September 2023



**STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Other income	2	17,008	6,107
Net gain on the sale of financial assets		385,173	923,445
Change in fair value of financial assets		(144,245)	(139,276)
Professional and Directors fees		(31,020)	(39,719)
Management fee		(39,052)	(43,721)
Brokerage		(10,542)	(24,160)
Other expenses		(4,618)	(7,591)
<b>Profit before income tax</b>		<b>172,704</b>	<b>675,085</b>
Income tax expense	3	(51,811)	(214,308)
Income tax losses recouped	3	51,811	214,308
<b>Profit after income tax for the year</b>		<b>172,704</b>	<b>675,085</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>172,704</b>	<b>675,085</b>
		¢	¢
Basic earnings per share	17	2.1756	8.1679
Diluted earnings per share	17	2.1756	8.1679

The accompanying notes form part of these financial statements.



**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	52,060	1,055,164
Trade and other receivables	5	2,280	5,295
Financial assets	6	768,017	1,310,029
<b>TOTAL CURRENT ASSETS</b>		<b>822,357</b>	<b>2,370,488</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	6	111,750	117,750
<b>TOTAL NON-CURRENT ASSETS</b>		<b>111,750</b>	<b>117,750</b>
<b>TOTAL ASSETS</b>		<b>934,107</b>	<b>2,488,238</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	17,779	90,413
<b>TOTAL CURRENT LIABILITIES</b>		<b>17,779</b>	<b>90,413</b>
<b>NET ASSETS</b>		<b>916,328</b>	<b>2,397,825</b>
<b>EQUITY</b>			
Issued capital	8	4,027,248	5,348,549
Dividends Paid		(1,441,601)	(1,108,701)
Accumulated losses		(1,669,319)	(1,842,023)
<b>TOTAL EQUITY</b>		<b>916,328</b>	<b>2,397,825</b>

The accompanying notes form part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	Issued Capital \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2021</b>	5,296,551	(3,463,953)	1,832,598
Profit for the year	-	675,085	675,085
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	675,085	675,085
<b>Transactions with owners, directly recorded in equity</b>			
Shares issued during the year	51,998	-	51,998
Dividends paid during the year	-	(161,856)	(161,856)
<b>Balance at 30 June 2022</b>	<b>5,348,549</b>	<b>(2,950,724)</b>	<b>2,397,825</b>
<b>Balance at 1 July 2022</b>	5,348,549	(2,950,724)	2,397,825
Profit for the year	-	172,704	172,704
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	172,704	172,704
<b>Transactions with owners, directly recorded in equity</b>			
Shares bought back during the year	(1,321,301)	-	(1,321,301)
Dividends paid during the year	-	(332,900)	(332,900)
<b>Balance at 30 June 2023</b>	<b>4,027,248</b>	<b>(3,110,920)</b>	<b>916,328</b>

The accompanying notes form part of these financial statements.



**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees (inclusive of GST)		(154,850)	(108,783)
Dividends received		-	6,107
Interest received	2	17,008	-
Net cash used in operating activities	11	(137,842)	(102,676)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments	6	2,131,122	4,741,378
Payments for investments	6	(1,342,183)	(3,845,201)
Net cash provided by investing activities		788,939	896,177
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	14	(332,900)	(161,856)
Payments for share buy-back	8	(1,321,301)	-
Proceeds from issue of shares	8	-	51,998
Net cash used in financing activities		(1,654,201)	(109,858)
Net (decrease)/increase in cash held		(1,003,104)	683,643
Cash at beginning of financial year		1,055,164	371,521
Cash at end of financial year	4	52,060	1,055,164

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of AFM Perseus Fund Limited. AFM Perseus Fund Limited is a Company limited by shares, domiciled and incorporated in Australia.

#### **New, Revised or Amending Accounting Standards and Interpretations Adopted**

The Company 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

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

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The Company 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**

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

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **Accounting Policies**

##### **a) Revenue and Other Income**

###### ***Share trading***

Other income from the sale of shares is recognised on the day the security is traded and comprises net profit on the sale of securities.

###### ***Interest***

Interest revenue is recognised on an accrual basis.

###### ***Dividends***

Dividends are recognised when declared.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**b) Income Tax**

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

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

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

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

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

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

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

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

**c) Goods and Services Tax (GST)**

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

**d) Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months, net of bank overdrafts.

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**e) Trade and Other Receivables**

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

**f) Financial Instruments**

Investments and 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 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.

***Fair value estimation***

The fair value of financial instruments traded in active markets is their quoted bid price at the reporting date. The fair value of financial instruments not traded in an active market is determined using valuation techniques based on the underlying net assets of the Company, option pricing methods if applicable or any relevant transaction that subscribes a value to those shares or options.

**f) Trade and Other Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed and are stated at cost.

**g) Impairment**

The carrying amounts of the Company's assets other than other financial assets and deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment, and if so, the asset's recoverable amount is estimated.

An impairment loss is recognised in the income statement unless an asset has been previously revalued, in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation through the profit and loss.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.





**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**h) Comparatives**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**i) Critical Accounting Estimates and Judgement**

The Directors evaluate estimates and judgements incorporated into the Financial Report based on historical knowledge and best available current information. Estimates assume reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

***Key Estimates – Option Valuation***

The Company uses the Black Scholes model to value unlisted options at fair value.

***Key Estimates – Impairment***

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

***Key Estimates – Taxation***

Balances disclosed in the financial statements and the notes thereto, related to taxation are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the Australian Taxation Office



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>			
Other revenue			
– interest received from financial institutions		17,008	-
– other revenue		-	6,107
		17,008	6,107
<b>NOTE 3: INCOME TAX EXPENSE</b>			
Recognised in the income statement:			
<i>Current tax expense</i>		51,811	214,308
<i>Deferred tax benefit</i>	3(i),(ii)	(51,811)	(214,308)
Total income tax (expense) / benefit		-	-
<i>Reconciliation between tax expense and pre-tax net profit</i>			
Profit before income tax		172,704	675,086
Income tax calculated at 30.0% (2022: 30.0%)		(51,811)	(202,526)
Movement in temporary differences		138,715	(44,466)
Deferred tax asset loss utilised		(86,904)	246,992
Income tax expense		-	-
Deferred tax asset (recouped)/ not brought to account		51,811	202,526
Income tax expense on pre-tax net profit		-	-
Weighted average rate of tax		30.0%	30.0%



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

<b>NOTE 3: INCOME TAX EXPENSE (cont.)</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Reconciliations for deferred tax accounts</i>		
<b>i. Gross movements</b>		
The overall movement in the deferred tax account is as follows:		
Opening balance	-	-
(Charge)/credit to income statement	-	-
Closing balance	-	-
<b>ii. Deferred tax assets</b>		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	-	-
(Charge) / credit to income statement	-	-
Closing balance	-	-
<i>Accrued Expenses</i>		
Opening Balances	-	-
(Charge)/credit to income statement	-	-
Charged to equity	-	-
Closing balance	-	-
<i>Tax Losses</i>		
Opening balance	-	-
(Charge)/credit to income statement	-	-
Charged to equity	-	-
Closing balance	-	-
<i>Fair value loss adjustments</i>		
Opening balance	-	-
(Charge)/credit to income statement	-	-
Charged to equity	-	-
Closing balance	-	-
Closing balance	-	-

The company has off-balance sheet deferred tax assets of \$603,765 attributable to tax losses that are available to be offset against future taxable profits subject to company loss recoupment rules.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	52,060	1,055,164
	52,060	1,055,164
<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>		
Other debtors	2,280	5,295
	2,280	5,295
<b>NOTE 6: FINANCIAL ASSETS</b>		
<i>Current</i>		
Listed equity securities held for trading at cost	1,038,008	1,441,775
Change in fair value of securities	(269,991)	(131,746)
	768,017	1,310,029
<i>Non-Current</i>		
Unlisted equity securities held for trading at cost	182,500	182,500
Change in fair value of securities	(70,750)	(64,750)
	111,750	117,750
	879,767	1,427,779
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
<i>Current</i>		
Opening fair value	1,310,029	1,521,786
Additions	1,342,182	3,820,201
Disposals	(1,745,949)	(3,817,932)
Revaluation increment	(138,245)	(214,026)
Closing fair value	768,017	1,310,029
<i>Non-Current</i>		
Opening fair value	117,750	18,000
Additions	-	25,000
Disposals	-	-
Revaluation increment	(6,000)	74,750
Closing fair value	111,750	117,750

Refer to Note 10 for further information on fair value measurement.



**THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 6: FINANCIAL ASSETS (cont.)**

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance valuation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in the carrying value being included in profit or loss.

Shares held for trading are traded for the purpose of short-term profit taking. Changes in fair value are included in the statement of profit or loss and other comprehensive income.

**NOTE 7: TRADE AND OTHER PAYABLES**

	2023	2022
	\$	\$
Trade payables	2,595	48,093
Accrued expenses and other payables	12,005	39,276
Dividends Payable	3,179	3,047
	17,779	90,416

Trade and other payables are non-interest bearing and usually settled at 60-day terms.

**NOTE 8: ISSUED CAPITAL**

Ordinary Shares	2023	2022	2023	2022
	\$	\$	No. Shares	No. Shares
Balance at 1 July	5,348,549	5,296,551	8,322,489	8,092,832
Shares issued <sup>(i)</sup>	-	51,998	-	229,657
Share buy-back <sup>(ii)</sup>	(1,312,660)	-	(4,836,625)	-
Capital raising costs	-	-	-	-
Share buy-back costs	(8,641)	-	-	-
Balance at 30 June	4,027,248	5,348,549	3,485,864	8,322,489

(i) Ordinary Shareholders have the following rights (amongst others):

- right to receive notices of meetings of the Company and to attend such meetings and to vote at such meetings except in relation to winding up the Company.
- right to receive dividends.
- rights under the Corporations Act to wind up the Company.
- 

(ii) Share buy-back:

During the financial year ended 30 June 2023, the following share buy-backs were made:

- On 1 June 2023 the company bought back 4,836,625 shares for \$0.2714 per share, for a total payment of \$1,312,660.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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### NOTE 8: ISSUED CAPITAL (cont.)

#### Capital Management

Fund policy is to have no bank debt.

Management controls the capital of the Company in order to maintain a good debt to equity ratio, in an endeavour to provide the shareholders with adequate returns and to ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risk and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. This strategy is to ensure that the Company's gearing ratio remains conservative.

### NOTE 9: FINANCIAL RISK MANAGEMENT

#### Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Company investments.

Derivatives are not used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

#### i. Treasury Risk Management

Senior Executives of the Company meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Senior Executives overall risk management strategy seeks to minimise potential adverse effects on financial performance.

The Senior Executives operate under the guidance of the Board of Directors. Risk Management initiatives are addressed by the Board when required.

#### ii. Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, market risk, credit risk and price risk.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**NOTE 9: FINANCIAL RISK MANAGEMENT (cont.)**

***Interest rate risk***

Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. All of the entity's exposure to interest rate risk is limited to cash and cash equivalents, convertible notes and financial liabilities.

At 30 June 2023, the Company does not have any material interest rate risk exposure.

***Liquidity risk***

The Company manages liquidity risk by monitoring forecast cash flows.

***Market risk***

Market risk is the risk that the value of the Company's investments will fluctuate as a result of changes in market prices. It is recognised that the investment portfolio comprises a proportion of speculative investments in the mining and resources sector. To minimise market risk, positions are monitored on a daily basis and marked-to-market regularly.

***Net fair values of financial assets and liabilities***

Assets and liabilities included in the Statement of Financial Position are carried at amounts that approximate their fair values. Please refer to Note 1 for the methods and assumptions adopted in determining net fair values for investments.

***Credit risk***

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

Credit risk is reviewed regularly by the Senior Executives.

The Senior Executives ensure that the Company deals with:

- Only banks and financial institutions with an "A" rating;
- All potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and

The Company invests in listed available-for-sale/held to maturity financial assets. Unlisted available-for-sale / held to maturity financial assets are not rated by external credit agencies. These are reviewed regularly by the Company to ensure that credit exposure is minimised.

The credit risk for counterparties included in trade and other receivables at 30 June 2023 is detailed below:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade and Other Receivables	2,280	5,295



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**NOTE 9: FINANCIAL RISK MANAGEMENT (cont.)**

***Price risk***

The Company is exposed to changes in share prices of the portfolio of securities that it holds. Securities are monitored regularly to ensure that the relevant companies in which shares are held are meeting the investment standards required by the Investment Committee.

**iii. Net Fair Values**

The net fair values of:

- Listed investments have been valued at the quoted market last sale price at balance date. For unlisted investments where there is no organised financial market, the net fair value has been based on the cost base of the investment or the reasonable estimation of the underlying net assets.
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value.
- Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

***Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date***

As at 30 June 2023 and 30 June 2022, the carrying amounts of all financial assets and liabilities approximated their fair values.

**iv. Sensitivity Analysis**

**Interest rate risk, foreign currency risk and price risk**

The Company has performed sensitivity analysis relating to its exposures to interest rate risk and price risk at balance date and has determined that increases and decreases are not material to the Company.

**NOTE 10: FAIR VALUE MEASUREMENT**

***Fair value measurements recognised in the statement of financial position***

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 and 2 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those that cannot be determined by using readily observable inputs or measures, such as market prices or models. They are calculated using estimates or risk-adjusted value ranges.





**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 10: FAIR VALUE MEASUREMENT (cont.)**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>2023</b>				
<b>Financial assets:</b>				
<i>Financial assets at fair value through profit or loss:</i>				
- Investments: held for trading	748,517	111,750	19,500	879,767
	<b>Level1</b>	<b>Level2</b>	<b>Level3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>2022</b>				
<b>Financial assets:</b>				
<i>Financial assets at fair value through profit or loss:</i>				
- Investments: held for trading	1,310,029	117,750	-	1,427,779

- Shares held in Firefinch Limited (ASX: FFX) have been classed as a Level 3 Financial Asset. Firefinch Limited has been suspended from trading for an extended period with no clarity of when this will be resolved. As such, there are no tradeable market in the shares. A valuation has been performed by the Fund Manager to determine the underlying value of the assets of the company, taking into account the risk factor. As such the shares were valued at a discounted rate of \$0.1300 per share compared to the last listing price in May 2022 of \$0.2000 per share.

**Listed Equity Sensitivity Analysis**

At 30 June 2023, the effect on profit and equity as a result of changes in listed equity prices, with all other variables remaining constant would be as follows:

	2023	2022
	\$	\$
Change in profit		
- Increase in listed equity prices by 10%	87,977	142,778
- Decrease in listed equity prices by 10%	(87,977)	(142,778)
Change in Equity		
- Increase in listed equity prices by 10%	87,977	142,778
- Decrease in listed equity prices by 10%	(87,977)	(142,778)



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 11: CASH FLOW INFORMATION**

	2023	2022
	\$	\$
Reconciliation of profit after income tax to net cash from operating activities		
Profit after income tax	172,704	675,085
Non-cash flows in profit after income tax:		
Change in fair value of financial assets	144,245	139,276
Net gain on the sale of financial assets	(385,172)	(923,445)
	(68,223)	(109,084)
Changes in assets and liabilities:		
Increase in receivables	3,015	326
(Decrease)/increase in payables	(72,634)	6,083
Cash flows from operations	(137,842)	(102,676)

**NOTE 12: RELATED PARTIES**

**a) Directors**

Total Directors remuneration is set out in Note 18.

**b) Transactions with Director-related entities**

The Directors of the Company, or their director-related entities, hold positions in other entities from time to time that results in them having control over the financial or operating policies of these entities.

The terms and conditions of the transactions with Directors and their director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director-related entities on an arm's length basis.

Aggregate amounts recognised during the year relating to director-related entities were as follows:

<i>Director Related Entity</i>	<i>Director</i>	<i>Transaction</i>	2023	2022
			\$	\$
AFM Zeus Pty Ltd	E Rigg	Management fee	39,052	43,721

**c) Directors holdings of shares**

Key Management Person	Balance 30 June 2022	Net Change Other	Balance 30 June 2023
	No.	No.	No.
Argonaut PCF Limited – Edward Rigg related entity	1,584,621	-	1,584,621
EGR Management Pty Ltd – Edward Rigg related entity	667,583	-	667,583
Union Street Super – David Franklyn related entity	168,254	21,638	189,892
	2,420,458	21,638	2,442,096

**d) Identity of related parties**

The Company has a related party relationship with its directors and director-related entities.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 13: EVENTS SUBSEQUENT TO THE REPORTING DATE**

A review of the Fund's investment portfolio has been performed at 25 August 2023. The cost of investments (incl cash) was \$1,285,632 (30 June 2023: \$1,272,568). The market value of investments (incl. cash) was \$912,275 (30 June 2023: \$931,827). The movement in the market value of investments is wholly attributable to the share market fluctuations and the disposal and acquisition of the Fund's shareholdings during the period.

**NOTE 14: DIVIDENDS**

*Dividends*

Dividends paid during the financial year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Final dividend for the year ended 30 June 2022 at 4 cents (2021: 2 cents) per ordinary share paid on 28 August 2022.	332,900	161,856
	<b>Amount per security</b>	<b>Franked amount per security</b>
	<b>¢</b>	<b>¢</b>
Final dividend for the year ended 30 June 2022 paid on 28 August 2022.	4.0	0.0

*Franking Credits*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Franking credits available for subsequent financial years based on a tax rate of 30%	39,320	39,320

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date.
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

**NOTE 15: AUDITORS' REMUNERATION**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Auditor's remuneration for:		
- audit and review of the financial report	17,000	9,000
	<u>17,000</u>	<u>9,000</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 16: OPERATING SEGMENTS**

*Identification of reportable segments*

The Company has identified one reportable segment, being the financial investment industry, based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segment on this basis.

*Basis of accounting for purposes of reporting by operating segments*

*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

*Segment assets*

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Geographic Segment*

The Company operates from one geographic location, being Australia, from where its investing activities are managed.

**NOTE 17: EARNINGS PER SHARE (EPS)**

	<b>2023</b>	<b>2022</b>
<b>Reconciliation of earnings to profit or loss</b>	<b>\$</b>	<b>\$</b>
Profit for the year	172,704	675,085
Profit used in the calculation of basic and diluted EPS	172,704	675,085
<b>Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS</b>	7,938,209	8,265,075
Weighted average number of dilutive equity instruments outstanding	-	-
<b>Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS</b>	7,938,209	8,265,075
<b>Earnings Per Share</b>	<b>¢</b>	<b>¢</b>
Basic EPS	2.1756	8.1679
Diluted EPS	2.1756	8.1679



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION**

**2023**

Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Share-based Payment		Total
Cash, salary & commissions	Other	Superannuation	Other	Equity	Options	
\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-
-	-	-	-	-	-	-

**2022**

Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Share-based Payment		Total
Cash, salary & commissions	Other	Superannuation	Other	Equity	Options	
\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-
-	-	-	-	-	-	-

No key management personnel emoluments are performance-based.

No other compensation, including termination benefits and share-based payments, was paid or payable to key management personnel.

The names of each person holding the position of Director of the Company during the period are:

Edward Rigg  
Glen Colgan  
David Franklyn

**NOTE 19: COMPANY DETAILS**

The registered office and principal place of business of the Company is:

Allendale Square  
Level 30  
77 St Georges Terrace  
Perth WA 6000



## DIRECTORS' DECLARATION

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The Directors' of the company declare that:

1. 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;
2. 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;
3. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in dark ink, appearing to read 'D Franklyn', is written over a light blue horizontal line.

**DAVID FRANKLYN**

Director

Dated at Perth this 5th day of September 2023.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFM PERSEUS FUND LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of AFM Perseus Fund Limited ("the Company"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

*Hall Chadwick*

**HALL CHADWICK WA AUDIT PTY LTD**

*Mark DeLaurentis*

**MARK DELAURENTIS CA**  
**Director**

Dated Perth, Western Australia this 5<sup>th</sup> day of September 2023



**TOP 20 SHAREHOLDERS  
AS AT 30 JUNE 2023**

<b>Rank</b>	<b>Shareholder Name</b>	<b>Number of Shares Held</b>	<b>Percentage</b>
1.	Argonaut PCF Limited	1,584,621	45.46%
2.	EGR Management Pty Ltd	667,583	19.15%
3.	Ms Binbin Shi	500,000	14.34%
4.	Mr David John Franklyn & Mrs Lucille Corinne Franklyn	189,892	5.45%
5.	Urey Pty Ltd	65,240	1.87%
6.	Mrs Kym Michelle McPherson	41,528	1.19%
7.	Mr Robert Berkovic	39,787	1.14%
8.	Ms Jodie Lee Maxted	38,945	1.12%
9.	Ryan Ronald Bickle	27,208	0.78%
10.	Mrs Patricia Elizabeth Barber	23,429	0.67%
11.	Mr Jonathan Murray & Mrs Andrea Murray	20,000	0.57%
12.	Mrs Leonie May Davis	20,000	0.57%
13.	Mr Damian Francis Marcon & Ms Janice Barbara Marcon	17,572	0.50%
14.	Tangled-Blue Investments Pty Ltd	15,146	0.43%
15.	Mr Jonathan William Cray & Mrs Melissa Rae Cray	12,982	0.37%
16.	Mr Lubomir Beno	12,982	0.37%
17.	Mr Andrew Baker & Ms Robin Elizabeth Baker	10,764	0.31%
18.	Mrs Kerry Alice Krebs	10,764	0.31%
19.	Mr Jeffrey James McAskill & Mrs Theresa Chwee Eng McAskill	10,764	0.31%
20.	Ms Evelyn Ann McGowan	10,764	0.31%
<b>Total top 20</b>		<b>3,319,971</b>	<b>95.22%</b>
Other		165,893	4.78%
<b>Total ordinary shares on issue</b>		<b>3,485,864</b>	<b>100.00%</b>



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