



ACN 601 990 158

**Oscar Resources Limited  
and its controlled entity**

**Annual Financial Report**

**For the year ended  
30 June 2021**

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
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**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY  
DIRECTORS REPORT**

Your directors present their report on Oscar Resources Limited and its subsidiary (Oscar, Consolidated Entity, or the Company) for the year ended 30 June 2021.

**DIRECTORS**

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

**Directors**

Mr Edward Lee, appointed 24 September 2014  
Mr Francis Xiao, appointed 24 September 2014  
Mr Andrew John Stoner, appointed 8 August 2017

**Secretary**

Mr Sean Fabian Schapiro, appointed 24 September 2014, resigned 17 February 2022  
Mr Guy Robertson, appointed 17 February 2022

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**PRINCIPAL ACTIVITIES**

The principal activity of the Company during the financial year was mineral exploration. There have been no significant changes in the nature of the Company's principal activities during the financial year.

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**REVIEW OF OPERATIONS**

The Company has continued to undertake exploration on its Mt Oscar project in West Pilbara.

Given promising developments in neighbourly tenements and progress made in processing technologies, the Company raised additional funds post year ahead to move forward with its programme as it progresses to project development.

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**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

Other than as outlined in the directors' report, there were no significant changes in the state of affairs of the Company during the year.

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**EVENTS AFTER REPORTING DATE**

On 31 December 2021, the Company raised \$300,000 capital in cash.

On 9 March 2022, following approval by shareholders at a general meeting, the Company undertook a share split converting its existing share capital comprising 141,262,800 fully paid ordinary shares into a larger number, by splitting each share into 2 shares (with each holding rounded to the nearest whole number), making a total of 282,525,600 shares.

On 9 March 2022, as approved by shareholders at a general meeting, the Company adopted a new constitution more suitable for listed public company, given the Company's intention to make an application for listing on the Australian Securities Exchange.

On 9 March 2022, as approved by the Board of Directors, the Company transferred its shares in Oscar Resources No 2 Pty Ltd to Oscar Metals Limited; and Oscar Resources No 1 Pty Ltd transfer its shares 96.5% in Oscar Gold No 1 Pty Ltd to Oscar Metals Limited. Oscar Metals Limited then issued shares to shareholders of Oscar Resources Limited in the same proportion that each shareholder holds in the Company.

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY  
DIRECTORS REPORT**

On 30 June 2022, all senior executives and advisors will be issue shares for their fees by share based payment at \$0.18 per share for the period of 1 January 2022 to 30 June 2022.

Mr Guy Robertson was appointed as company secretary on 17 February 2022.

There are no further matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

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**LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS**

The primary objective of Oscar Resources is to continue its exploration activities on its current projects in Australia and to continue to pursue new project opportunities as they arise.

The material business risks faced by the Company that are likely to have an effect on the financial prospects of the Company, and how the Company manages these risks, are:

- **Future Capital Needs** – the Company does not currently generate cash from its operations. The Company will require further funding in order to meet its corporate expenses, continue its exploration activities and complete studies necessary to assess the economic viability of its projects. The Company's financial position is monitored on a regular basis and processes put into place to ensure that fund raising activities will be conducted in a timely manner to ensure the Company has sufficient funds to conduct its activities.
- **Exploration and Developments Risks** – the business of exploration for iron ore, gold and other minerals and their development involves a significant degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. To prosper, the Company depends on factors that include successful exploration and the establishment of resources and reserves within the meaning of the 2012 JORC Code. The Company may fail to discover mineral resources on its projects and once determined, there is a risk that the Company's mineral deposits may not be economically viable. The Company employs geologists and other technical specialists, and engages external consultants where appropriate to address this risk.
- **Commodity Price Risk** – as a Company which is focused on the exploration of iron ore, it is exposed to movements in the price of this commodity. The Company monitors historical and forecast price information from a range of sources in order to inform its planning and decision making.
- **Title and permit risks** - each permit or licence under which exploration activities can be undertaken is issued for a specific term and carries with it work commitments and reporting obligations, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, one or more of its tenements if conditions are not met or if sufficient funds are not available to meet work commitments. Any failure to comply with the work commitments or other conditions on which a permit or tenement is held exposes the permit or tenement to forfeiture or may result in it not being renewed as and when renewal is sought. The Company monitors compliance with its commitments and reporting obligations using internal and external resources to mitigate this risk.

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**PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION**

The consolidated entity will comply with its obligations in relation to environmental regulation on its Western Australia projects and when it undertakes exploration in the future. The Directors are not aware of any breaches of any environmental regulations during the period covered by this report.

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY  
DIRECTORS REPORT**

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**OPERATING RESULTS AND FINANCIAL REVIEW**

The loss of the consolidated entity after providing for income tax amounted to \$581,703 (2020: loss of \$718,102).

Capitalised exploration costs increased to \$2,251,147 (2020 - \$1,971,784) reflecting the exploration work during the year on the projects.

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**DIVIDENDS PAID OR RECOMMENDED**

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

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**OPTIONS**

No options over issued shares or interests in the company or the controlled entity were granted during or since the end of the financial year, and there were no options outstanding as at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interest.

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**MEETINGS OF DIRECTORS**

The number of directors' meetings (including committees) held during the financial period, each director who held office during the financial period and the number of meetings attended by each director are:

Director	Directors Meetings	
	Meetings Attended	Number Eligible to Attend
Edward Lee	4	4
Francis Xiao	4	4
Andrew Stoner	3	4

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

The consolidated entity has agreed to indemnify all Directors of the Group for any liabilities to another person (other than the Group or related body corporate) that may arise from their position as Directors of the Group, except where the liability arises out of conduct involving a lack of good faith.

**INDEMNIFICATION OF AUDITORS**

The Group has agreed to indemnify its auditors, RSM Australia, to the extent permitted by law, against any claim by a third party arising from the Group's breach of their agreement. The indemnity stipulates that Oscar Resources Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs

**PROCEEDINGS ON BEHALF OF COMPANY**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceeding 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.

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY  
DIRECTORS REPORT**

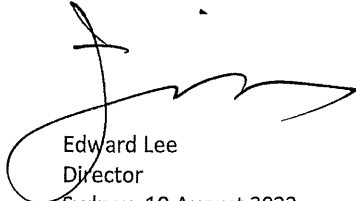
**AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 in relation to auditor's independence for the year ended 30 June 2021 has been received and can be found on the following page.

**NON-AUDIT SERVICES**

The Board of Directors advises that no non-audit services were provided by the Company's auditors during the year.

This report is made in accordance with a resolution of the directors.



Edward Lee  
Director  
Sydney, 10 August 2022

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Oscar Resources Limited for the year ended 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**



**C J HUME**  
Partner

Sydney, NSW  
Dated: 10 August 2022

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021	2020 (restated)
		\$	\$
Revenue		<u>9</u>	<u>-</u>
Advertising and marketing expenses		(531)	(11,982)
Accounting fee		(12,741)	(7,441)
Legal fees		-	(3,507)
Compliance and regulatory expenses		(18,131)	(8,973)
Consulting fees		(15,000)	-
Other administration and overhead expenses		(6,614)	(36,147)
Loss on sale of investments	10	-	(325,007)
Rent and occupancy costs		-	(54,545)
Share based payments:	14		
- Directors' fees		(108,000)	(108,000)
- Management and consulting fees		(360,695)	(162,500)
- Rent and occupancy costs		(60,000)	-
<b>LOSS BEFORE INCOME TAX</b>		<b>(581,703)</b>	<b>(718,102)</b>
Income tax expense	2	<u>-</u>	<u>-</u>
<b>LOSS FOR THE YEAR</b>		<b>(581,703)</b>	<b>(718,102)</b>
<b>LOSS ATTRIBUTABLE TO MEMBERS OF OSCAR RESOURCES LIMITED</b>		<b>(581,703)</b>	<b>(718,102)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(581,703)</b>	<b>(718,102)</b>
<b>Loss for the year is attributable to:</b>			
Owners of Oscar Resources Limited		<u>(581,703)</u>	<u>(718,102)</u>
<b>Total Comprehensive loss for the year is attributable to:</b>			
Owners of Oscar Resources Limited		<u>(581,703)</u>	<u>(718,102)</u>

*The Consolidated Statement of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the attached notes*



**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	2021	2020 (restated)	2019
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	66,179	2,792	1,586
Trade and other receivables	4	242,748	9,086	59,825
Financial Assets		-	-	55,262
<b>TOTAL CURRENT ASSETS</b>		<b>308,927</b>	<b>11,878</b>	<b>116,673</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables	4	6,000	99,401	99,687
Exploration and evaluation expenditure	6	2,251,147	1,971,784	1,767,611
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,257,147</b>	<b>2,071,185</b>	<b>1,867,298</b>
<b>TOTAL ASSETS</b>		<b>2,566,074</b>	<b>2,083,063</b>	<b>1,983,971</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	7	125,623	108,617	166,192
Borrowings	8	868	178,859	16,614
<b>TOTAL CURRENT LIABILITIES</b>		<b>126,491</b>	<b>287,476</b>	<b>182,806</b>
<b>TOTAL LIABILITIES</b>		<b>126,491</b>	<b>287,476</b>	<b>182,806</b>
<b>NET ASSETS</b>		<b>2,439,584</b>	<b>1,795,587</b>	<b>1,801,165</b>
<b>EQUITY</b>				
Issued Capital	9&10	3,295,838	2,070,149	1,675,635
Reserves	10	-	-	(235,454)
Accumulated Earnings/(Loss)		(856,254)	(274,562)	360,984
<b>TOTAL EQUITY</b>		<b>2,439,584</b>	<b>1,795,587</b>	<b>1,801,165</b>

*The Consolidated Statement of Financial Position are to be read in conjunction with the attached notes.*

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Note	Issued Capital	Reserves	Accumulated Profit	Total
	\$		\$	\$
Balance as at 1 July 2020	2,070,149	-	(274,562)	1,795,587
Loss for the year	-	-	(581,703)	(581,703)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(581,703)	(581,703)
Issue of share capital	1,384,250	-	-	1,384,250
Capital raising cost	(67,500)	-	-	(67,500)
Share cancellation	(91,051)	-	-	(91,051)
<b>Balance as at 30 June 2021</b>	<b>3,295,848</b>	<b>-</b>	<b>(856,265)</b>	<b>2,439,584</b>
Balance as at 1 July 2019	1,675,635	(235,454)	360,984	1,801,165
Profit for the year	-	-	(718,102)	(718,102)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(718,102)	(718,102)
Issue of share capital	394,514	-	-	394,514
Other asset revaluation reserves	-	318,010	-	318,010
Correction of error in 2020	-	(82,556)	82,556	-
<b>Balance as at 30 June 2020</b>	<b>2,070,149</b>	<b>-</b>	<b>(274,562)</b>	<b>1,795,587</b>

*The Consolidated Statement of Changes in Equity are to be read in conjunction with the attached notes.*

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers	(80,636)	(467,284)
Receipts in course of operations	19,571	51,025
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>18 (61,065)</b>	<b>(416,259)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for exploration and evaluation	(202,548)	(204,173)
Proceeds from sale of investment	-	48,266
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(202,548)</b>	<b>(155,907)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	395,000	394,514
Cost of issue shares	(67,500)	-
Loan received	179,500	178,859
Loan repayment	(180,000)	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>327,000</b>	<b>573,373</b>
<b>NET INCREASE IN CASH HELD</b>	<b>63,387</b>	<b>1,207</b>
Cash at the beginning of the financial year	2,792	1,585
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>3 66,179</b>	<b>2,792</b>

*The Consolidated Statement of Cash Flows are to be read in conjunction with the attached notes.*

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

This financial report includes the consolidated financial statements and notes of Oscar Resources Limited and its controlled entities (**Consolidated Group** or **Group**), and a separate note on the accounts of Oscar Resources Limited as the parent entity (**Parent**).

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

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

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. 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 and have been consistently applied unless otherwise stated.

This financial report is presented in Australian Dollars.

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.

The financial report covers the Group of Oscar Resources Limited and controlled entities. Oscar Resources Limited is an unlisted public company, incorporated and domiciled in Australia.

**a. Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Oscar Resources Limited at the end of the reporting period. A controlled entity is any entity over which Oscar Resources Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 6 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

**b. 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 Company incurred losses of \$581,703 for the year ended 30 June 2021, and the Company had net cash outflows from operating and investing activities of \$61,065 and \$202,548 respectively. The Company is in the process of finalising an initial public offering of shares. The capital raised will fund the continuing exploration operations of the Group.

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

As the initial public offering of shares is yet to occur at the time the financial statements have been signed there is a material uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report has been prepared on the following basis:

- the Company will be successful in undertaking a capital raising for the purposes of the funding its plans to undertake an initial public offering of shares; and
- As at 30 June 2021, the Group had cash of \$66,179, net current assets of \$182,437 and net assets of \$2,439,584.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

**c. Adoption of New and Revised Accounting Standards**

**Effects of changes in accounting policy**

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of these amended standards.

The Group has not applied any standards and amendments for the first time for their annual reporting period commencing 1 July 2020.

**New standards not yet effective**

Certain new accounting standards have been published that are not mandatory for the 30 June 2021 reporting period and have not been early adopted by the Group.

The Group's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**d. Income Taxes**

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 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

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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

**e. Exploration and Evaluation Costs**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**f. Financial Instruments**

**Recognition and initial measurement**

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortized cost using the effective interest rate method, or cost.

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative recognized of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

*(i) Financial assets at fair value through profit or loss*

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, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation 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 carrying value being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognized in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is recognized, the cumulative gain or loss pertaining to that asset previously recognized in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognized in profit or loss. Also, any cumulative decline in fair value previously recognized in other comprehensive income is reclassified to profit or loss at this point

**g. Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

**h. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial performance.

**i. Revenue Recognition**

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**k. Comparative Figures**

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

**l. Significant judgements and key assumptions**

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



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**m. Key judgements and estimates**

*Key Judgement Exploration Expenditure*

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at \$2,251,147.

*Key Judgement Environmental Issues*

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

*Key Estimate Taxation*

Balances disclosed in the financial statements and the notes thereto, relating 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 that directors' best estimate, pending an assessment by the Australian Taxation Office.

*Key Estimate Share based payment transactions*

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by reference to the market price.

*Standards and Interpretations in issue not yet adopted*

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2021. As a result of this review, the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

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**2. INCOME TAX EXPENSE**

(a) No income tax is payable by the parent or consolidated entity as they recorded losses for income tax purposes for the year.

**(b) Reconciliation between income tax expense and prima facie tax on accounting loss.**

	2021	2020
	\$	\$
Accounting loss	(581,703)	(718,102)
Tax at 26% (2020: 27.5%)	(151,243)	(197,478)
Tax effect of other (deductible)/non-deductible items	-	-
Deferred tax asset not recognised	151,243	197,478
Income tax expense	-	-

**(c) Tax losses**

Unused tax losses for which no deferred tax asset has been recognised	4,881,950	4,314,442
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Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2021 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the loss and exploration expenditure.

The applicable tax rate is the national tax rate in Australia for group, which is 26% at the reporting date.

**3. CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	\$	\$
Cash and cash equivalents	<b>66,179</b>	<b>2,792</b>

**4. TRADE AND OTHER RECEIVABLES**

	<b>2021</b>	<b>2020</b>
	\$	(Restated) \$
<b>CURRENT</b>		
GST and other receivables	<b>242,748</b>	9,086
	<b>242,748</b>	9,086
<b>NON-CURRENT</b>		
Other receivables	<b>6,000</b>	99,401
	<b>6,000</b>	99,401
<b>TOTAL RECEIVABLE</b>	<b>248,748</b>	108,487

**5. CONTROLLED ENTITY**

	<b>Country of Incorporation</b>	<b>Ownership % 2021</b>	<b>Ownership % 2020</b>
<b>Parent Entity:</b>			
Oscar Resources Limited	Australia	-	-
<b>Subsidiary:</b>			
Oscar Resources No 1 Pty Ltd	Australia	100	100
Oscar Resources No 2 Pty Ltd	Australia	100	100

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**6. EXPLORATION AND EVALUATION EXPENDITURE**

	2021 \$	2020 (Restated) \$
Exploration and evaluation expenditure	2,251,147	1,971,784
<b>Reconciliation of carrying amount</b>		
Balance at beginning of financial year	1,971,184	13,899,155
Expenditure in current year	279,963	204,173
Correction of error in FY2020 (note 10)	-	(12,131,554)
Balance at end of financial period	2,251,147	1,971,784

**7. TRADE AND OTHER PAYABLES**

	2021 \$	2020 \$
<b>CURRENT</b>		
Unsecured liabilities:		
Trade payables	125,623	96,318
Sundry payables and accrued expenses	-	12,299
	125,623	108,617

**8. BORROWINGS**

	2021 \$	2020 \$
<b>CURRENT</b>		
Borrowings	868	178,859

Borrowings are current unsecured interest free loans.

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**9. SHARE CAPITAL**

	2021 \$	2020 (Restated) \$
139,525,800 (2020 – 128,342,319) fully paid ordinary shares	<b>3,295,838</b>	<b>2,070,149</b>

Reconciliation of capital movement during the year:

	2021	2021	2021	2020	2020	2020
Issue Date	Number issued	Price Issued	\$	Number Issued	Price Issued	\$
Opening balance	128,342,319	-	2,070,149	126,990,319	-	1,675,634
30.06.2020	-	-	-	220,000	\$0.25	55,000
30.06.2020	-	-	-	1,132,000	\$0.30	339,515
10.03.2021	100,000	\$0.20	\$20,000	-	-	-
30.06.2021	7,500,000	\$0.01	75,000	-	-	-
30.06.2021	1,607,000	\$0.15	241,050	-	-	-
30.06.2021	3,494,000	\$0.30	1,048,200	-	-	-
30.06.2021	(1,517,520)	\$0.06	(91,051)	-	-	-
Capital raising cost			(67,500)	-	-	-
Closing balance	139,525,800	-	3,295,838	128,342,319	-	2,070,149

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Capital Management**

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

The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

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

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The Group's net working capital position is as follows:

	2021	2020
	\$	\$
Cash and cash equivalents	66,179	2,792
Trade and other receivables	242,748	108,487
Trade and other payables	(125,623)	(108,617)
Borrowings	(868)	(178,859)
Working capital position	182,436	(176,206)

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**10. CORRECTION OF PRIOR PERIOD ERRORS**

During the preparation of these financial statements for the year ended 30 June 2021, it was identified that there were errors contained in the prior year financial report. these errors related to the following corrections:

- (a) **Reclassify capital loss on investment**  
 In the prior financial year, the capital loss on investment of \$325,007 was presented incorrectly in revenue. It has now been correctly reclassified as expenditure.
  
- (b) **Write off asset revaluation reserve**  
 In the 2015 financial year, the Company purchased the Mt Oscar project from Apollo Minerals Ltd, through the acquisition of its subsidiary company, Apollo Iron Ore No 1 Pty Ltd, now renamed Oscar Resources No 1 Pty Ltd. At the date of acquisition, Apollo Minerals had spent \$12,214,100 on the project. The Company previously recognised this spend with a corresponding credit to reserves. This entry has now been reversed in the 2020 financial year.

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The following is a restatement of the 2020 financial statements taking into account the errors noted above

<b>Restated Statement of Profit or Loss and Comprehensive Income</b>	Note	2020 \$	Correction of error in 2020 \$	2020 (restated) \$
Revenue	10(a)	(325,007)	325,007	-
Advertising and marketing expenses		(11,982)	-	(11,982)
Accounting fee		(7,441)	-	(7,441)
Consulting fee		(162,500)	162,500	-
Legal fees		(3,507)	-	(3,507)
Compliance and regulatory expenses		(8,973)	-	(8,973)
Rent and occupancy costs		(54,545)	-	(54,545)
Other administration and overhead expenses		(144,147)	108,000	(36,147)
Loss on sale of investments	10(a)	-	(325,007)	(325,007)
Share based payments:	14			
- Directors' fees		-	(108,000)	(108,000)
- Management and consulting fees		-	(162,500)	(162,500)
<b>LOSS BEFORE INCOME TAX</b>		<b>(718,102)</b>	<b>-</b>	<b>(718,102)</b>
Income tax expense		-	-	-
<b>LOSS FOR THE YEAR</b>		<b>(718,102)</b>	<b>-</b>	<b>(718,102)</b>
<b>LOSS ATTRIBUTABLE TO MEMBERS OF OSCAR RESOURCES LIMITED</b>		<b>(718,102)</b>	<b>-</b>	<b>(718,102)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>	<b>-</b>
		<b>(718,102)</b>	<b>-</b>	<b>(718,102)</b>
<b>Loss for the year is attributable to:</b>				
Owners of Oscar Resources Limited		<b>(718,102)</b>	<b>-</b>	<b>(718,102)</b>
<b>Total Comprehensive loss for the year is</b>				
Owners of Oscar Resources Limited		<b>(718,102)</b>	<b>-</b>	<b>(718,102)</b>

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
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<b>Restated Statement of Financial Position</b>	Note	2020	Correction of error in 2020	2020 (restated)
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		2,792	-	2,792
Trade and other receivables		9,086	-	9,086
<b>TOTAL CURRENT ASSETS</b>		<b>11,878</b>	<b>-</b>	<b>11,878</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables		99,401	-	99,401
Exploration and evaluation expenditure	10(b)	14,103,328	(12,131,544)	1,971,784
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,202,729</b>	<b>(12,131,544)</b>	<b>2,071,185</b>
<b>TOTAL ASSETS</b>		<b>14,214,607</b>	<b>(12,131,544)</b>	<b>2,083,063</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		108,617	-	108,617
Borrowings		178,859	-	178,859
<b>TOTAL CURRENT LIABILITIES</b>		<b>287,476</b>	<b>-</b>	<b>287,476</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings		-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>287,476</b>	<b>-</b>	<b>287,476</b>
<b>NET ASSETS</b>		<b>13,927,131</b>	<b>(12,131,544)</b>	<b>1,795,587</b>
<b>EQUITY</b>				
Issued Capital		2,070,149	-	2,070,149
Reserves	10(b)	12,214,100	(12,214,100)	-
Accumulated loss		(357,118)	82,556	(274,562)
<b>TOTAL EQUITY</b>		<b>13,927,131</b>	<b>(12,131,544)</b>	<b>1,795,587</b>

## 11. FINANCIAL RISK MANAGEMENT

The group's principal financial instruments comprise mainly of borrowings and deposits with banks and shares in listed companies shown as financial assets at fair value through profit and loss. The main purpose of the financial instruments is to achieve optimal funding for the group with limited risk and earn the maximum amount of interest at a low risk to the group. The group also has other financial instruments such as trade debtors and creditors which arise directly from its operations.

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The consolidated entity holds the following financial instruments at the end of the reporting period:

	2021	2020
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	66,179	2,792
Trade and other receivables	248,748	108,487
	314,927	111,279
<b>Financial liabilities</b>		
Trade and other payables	125,623	108,617
Borrowings	868	178,859
	126,491	287,476

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

**a. Market risk**

*Cash flow and fair value interest rate risk*

The group's main interest rate risk arises from borrowings and cash deposits to be applied to exploration and development areas of interest. Borrowings are primarily to bridge the gap between funding requirements and obtaining shareholder approval for equity issues. It is the group's policy to invest cash in short term deposits to minimise the group's exposure to interest rate fluctuations. The group's deposits were denominated in Australian dollars throughout the year. The group did not enter into any interest rate swap contracts.

**b. Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The cash transactions of the group are limited to high credit quality financial institutions.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the group's maximum exposure to credit risk.

All cash holdings within the Group are currently held with AA rated financial institutions.

**c. Liquidity Risk**

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.



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**Financial Instrument composition and maturity analysis**

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

Consolidated Group	Within 1 year		1 to 5 years		Over 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial liabilities - due for payment:</i>								
Trade and other payables	125,623	108,617	-	-	-	-	125,623	108,617
Borrowings	868	178,859	-	-	-	-	868	178,859
Total contractual outflows	126,491	287,476	-	-	-	-	126,491	287,476
<i>Financial assets – cash flows realisable</i>								
Cash and cash equivalents	66,179	2,792	-	-	-	-	66,179	2,792
Trade and other receivables	242,748	9,086	6,000	99,401	-	-	248,748	108,487
Total anticipated inflows	308,927	11,878	6,000	99,401	-	-	314,927	111,279
Net inflow/(outflow) on financial instruments	182,436	(275,598)	6,000	99,401	-	-	188,436	(176,197)

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below.

	Carrying Value	Change in profit		Change in equity	
		100bp Increase	100bp decrease	100bp increase	100bp decrease
<b>30 June 2021</b>	\$	\$	\$	\$	\$
Cash and cash equivalents	66,179	662	(622)	662	(622)
Borrowings	(868)	(9)	9	(9)	9
	65,311	653	(653)	653	(653)
<b>30 June 2020</b>	\$	\$	\$	\$	\$
Cash and cash equivalents	2,792	28	(28)	28	(28)
Borrowings	(178,859)	(1,789)	1,789	(1,789)	1,789
	(176,076)	(1,761)	1,761	(1,761)	1,761

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*Maturity of financial assets and liabilities*

The note below summarises the maturity of the group's financial assets and liabilities as per the director's expectations. The amounts disclosed are the contractual undiscounted cash flows. There are no derivatives.

	< 6 months	6 – 12 months	1- 5 years	>5 years	Total
<b>30 June 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other receivables	242,748	-	6,000	-	248,748
Trade and other payables	125,623	-	-	-	125,623
Borrowings	868	-	-	-	868
<b>30 June 2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other receivables	9,086	-	99,401	-	108,487
Trade and other payables	108,617	-	-	-	108,617
Borrowings	178,859	-	-	-	178,859

**Fair value of financial assets and financial liabilities**

There is no difference between the fair values and the carrying amounts of the group's financial instruments. The Group has no unrecognised financial instruments at balance date.

**Financial Instruments Measured at Fair Value**

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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**12. COMMITMENTS**

The consolidated group currently has commitments for expenditure at 30 June 2021 on its Australian exploration tenements, up to the date of expiry, as follows:

	2021 \$	2020 \$
Not later than 12 months	99,500	169,000
Between 12 months and 5 years	129,500	229,000
Greater than 5 years	-	-
	<u>229,000</u>	<u>398,000</u>

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**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There are no contingent liabilities or assets in existence at balance sheet date.

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**14. SHARE BASED PAYMENTS**

The following share-based payments made during the year:

	2021			2020		
	Number of shares	Price	Amount \$	Number of shares	Price	Amount \$
Edward Lee	480,000	\$0.30	144,000	400,000	\$0.30	120,000
Francis Xiao	120,000	\$0.30	36,000	120,000	\$0.30	36,000
Andrew Stoner	120,000	\$0.30	36,000	120,000	\$0.30	36,000
Total Director	720,000	\$0.30	216,000	640,000	\$0.30	192,000
Consultants	592,317	\$0.30	177,695	245,000	\$0.30	73,500
Consultants	7,500,000	\$0.01	75,000	20,000	\$0.25	5,000
APA International Pty Ltd	400,000	\$0.15	60,000	-	-	-
Total share-based payments expensed	9,212,317	-	528,695	905,000	-	270,500
Share based payments capitalised to exploration <sup>1</sup>	180,000	\$0.30	54,000	190,000	\$0.30	57,000
Total share-based payments	9,392,317	-	582,695	1,055,000	-	327,500

<sup>1</sup>Issued to Francis Xiao and Edward LEE.

**15. RELATED PARTY DISCLOSURES**

**DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS**

**(a) Details of Directors and Key Management Personnel**

*(i) Directors*

Mr Edward Lee, appointed 24 September 2014;  
 Mr Francis Xiao, appointed 24 September 2014;  
 Mr Andrew John Stoner, appointed 8 August 2017;

*(ii) Company secretary*

Mr Sean Fabian Schapiro, appointed 24 September 2014, resigned 17 February 2022  
 Mr Guy Robertson, appointed 17 February 2022

*(iii) Directors' remuneration*

Directors' remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relative comparative information and, where applicable, independent expert advice.

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All directors' remuneration for the 2021 and 2020 financial year was paid in the form of shares. The shares in 2021 and 2020 were valued at \$0.30 per share (see Note 15). Accordingly, directors' remuneration was as follows:

Director	Year ended 30 June 2021 \$	Year ended 30 June 2020 \$
Mr Edward Lee	144,000	133,500
Mr Francis Xiao	90,000	82,500
Mr Andrew Stoner	36,000	36,000
	<u>270,00</u>	<u>252,000</u>

**(b) Key Management Personnel**

Other than the Directors the Company had no key management personnel for the financial period ended 30 June 2021.

**(c) Remuneration Options: Granted and vested during the financial year ended 30 June 2021**

There were no remuneration options granted during the financial year ended 30 June 2021.

**(d) Share and Option holdings**

There were no shares or option holdings granted during the financial year ended 30 June 2021.

***Shares held by Directors and Officers***

**Period from 1 July 2020 to 30 June 2021**

	Balance at beginning of period	Received as Remuneration	Purchased	Net Change Other	Balance at end of year
Edward Lee	3,264,333	480,000	-	-	3,744,333
Francis Xiao	2,415,000	300,000	-	-	2,715,000
Andrew Stoner	480,000	120,000	-	-	600,000
	<u>6,159,333</u>	<u>900,000</u>	-	-	<u>7,059,333</u>

**Period from 1 July 2019 to 30 June 2020**

	Balance at beginning of period	Received as Remuneration	Purchased	Net Change Other	Balance at end of year
Edward Lee	2,819,333	445,000	-	-	3,264,333
Francis Xiao	2,140,000	275,000	-	-	2,415,000
Andrew Stoner	360,000	120,000	-	-	480,000
	<u>5,319,333</u>	<u>840,000</u>	-	-	<u>6,159,333</u>

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**16. SEGMENT INFORMATION**

The group's operations are in one business segment being the resources sector. The group operates in Australia. All subsidiaries in the group operate within the same segment.

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

*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as 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.

*Inter-segment transactions*

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements

*Segment assets*

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

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

*Segment liabilities*

Liabilities are allocated to segments where there is 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.

*Unallocated items*

**Project segments**

	Projects \$	Administration Costs \$	Unallocated \$	Total \$
<b>30 June 2021</b>				
<b>Expenses</b>				
Administration	-	(581,703)	-	(581,703)
Total segment expenses	-	(581,703)	-	(581,703)
Income tax benefit	-	-	-	-
Segment result	-	(581,703)	-	(581,703)
Exploration costs incurred for the year	279,363	-	-	279,363

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

Segment assets	2,251,147	-	314,927	2,566,074
Segment liabilities	-	-	126,491	126,491

Administration and other operating expenses are not allocated to operating segments as they are not considered part of the core operations of any segment.

**Project segments**

	Projects \$	Administration Costs \$	Unallocated \$	Total \$
<b>30 June 2020</b>				
<b>Expenses</b>				
Administration	-	(718,102)	-	(718,102)
Total segment expenses	-	(718,102)	-	(718,102)
Income tax benefit	-	-	-	-
Segment result	-	(718,102)	-	(718,102)
Exploration costs incurred for the year	204,173	-	-	204,173
Segment assets	1,971,784	-	111,279	2,083,063
Segment liabilities	-	-	287,476	287,476

**17. AUDITORS REMUNERATION**

	2021 \$	2020 \$
<b>Auditor of parent entity</b>		
Audit or review of financial reports	25,000	13,786
	25,000	13,786

**18. CASH FLOW INFORMATION**

**Reconciliation of net cash used in operating activities with loss after income tax**

	2021 \$	2020 \$
Loss after income tax	(581,703)	(718,102)
Non-cash flows in loss:		
Loss on sale of investment	-	325,007
Share Based Payment	528,695	-
Changes in assets and liabilities:		
Decrease in trade and other receivables	(231,312)	51,025
Decrease in trade and other payables	223,225	(74,189)
<b>Net cash (outflow) from operating activities</b>	<b>(61,065)</b>	<b>(416,259)</b>

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
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**Non-cash Financing and Investing Activities**

There were no non-cash financing and investing activities, other than the issue to Mr Francis Xiao of 180,000 shares in 2021 (\$54,000) and 150,000 shares in 2020 (\$45,000), to Edward LEE of 40,000 shares in 2020 (\$12,000) which has been capitalised to exploration costs.

**19. PARENT ENTITY DISCLOSURES**

<b>Financial Position</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>(Restated)</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	66,179	2,792
Trade and other receivables	727,743	353,824
<b>Total Current Assets</b>	<b>793,922</b>	<b>356,615</b>
<b>Non-current Assets</b>		
Other related party receivable	6,000	99,401
Exploration expenditure	328,730	225,486
<b>Total Non-current Assets</b>	<b>334,730</b>	<b>324,887</b>
<b>Total Assets</b>	<b>1,128,652</b>	<b>681,503</b>
<b>Current Liabilities</b>		
Trade and other payables	29,794	50,053
Borrowings	868	178,858
<b>Total Current Liabilities</b>	<b>30,662</b>	<b>228,911</b>
<b>Non-current Liabilities</b>		
Borrowings	-	-
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>30,662</b>	<b>228,911</b>
<b>NET ASSETS</b>	<b>1,097,990</b>	<b>452,592</b>
<b>EQUITY</b>		
Issued capital	3,295,838	2,070,149
Reserves	-	-
Accumulated losses	(2,197,848)	(1,617,557)
<b>TOTAL EQUITY</b>	<b>1,097,990</b>	<b>452,592</b>
<b>Total loss</b>	<b>(580,304)</b>	<b>(717,413)</b>
<b>Total comprehensive loss</b>	<b>(580,304)</b>	<b>(717,413)</b>

**i. Contingent liabilities and contingent assets**

The parent entity is responsible for the contingent liabilities and contingent assets outlined in note 14.

**ii. Commitments**

The parent entity is responsible for the commitments outlined in note 13.

**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**iii. Related parties**

Interest in subsidiaries is set out in note 6.

Disclosures relating to key management personnel are set out in note 16.

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**20. EVENTS AFTER REPORTING DATE**

On 31 December 2021, the Company raised \$300,000 capital in cash.

On 9 March 2022, following approval by shareholders at a general meeting, the Company undertook a share split converting its existing share capital comprising 141,262,800 fully paid ordinary shares into a larger number, by splitting each share into 2 shares (with each holding rounded to the nearest whole number), making a total of 282,525,600 shares.

On 9 March 2022, as approved by shareholders at a general meeting, the Company adopted a new constitution more suitable for listed public company, given the Company's intention to make an application for listing on the Australian Securities Exchange.

On 9 March 2022, as approved by the Board of Directors, the Company transferred its shares in Oscar Resources No 2 Pty Ltd to Oscar Metals Limited; and Oscar Resources No 1 Pty Ltd transfer its shares 96.5% in Oscar Gold No 1 Pty Ltd to Oscar Metals Limited. Oscar Metals Limited then issued shares to shareholders of Oscar Resources Limited in the same proportion that each shareholder holds in the Company.

On 30 June 2022, all senior executives and advisors will be issue shares for their fees by share based payment at \$0.18 per share for the period of 1 January 2022 to 30 June 2022.

Mr Guy Robertson was appointed as company secretary on 17 February 2022.

There are no further matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

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**21. COMPANY DETAILS**

The registered office of the company is:

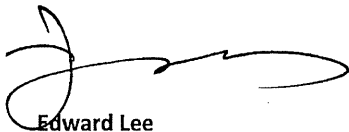
Oscar Resources Limited  
Level 6  
225 Clarence Street  
Sydney NSW 2000  
AUSTRALIA



**OSCAR RESOURCES LIMITED AND ITS CONTROLLED ENTITY  
DIRECTORS DECLARATION**

In accordance with a resolution of the directors of Oscar Resources Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 6 to 31, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.



**Edward Lee**

**Director**

**Sydney, 10 August 2022**

**RSM Australia Partners**

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## INDEPENDENT AUDITOR'S REPORT To the Members of Oscar Resources Limited

### Opinion

We have audited the financial report of Oscar Resources Limited. (the Company), and its subsidiary (the Group) 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of 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 2021 and of its financial performance for the year then ended; 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$581,703 and had net cash outflows from operating and investing activities of \$61,065 and \$202,548 respectively during the year ended 30 June 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **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 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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **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: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



**RSM AUSTRALIA PARTNERS**



**C J HUME**  
Partner

Sydney, NSW  
Dated: 10 August 2022