Capricorn Orogen Pty Ltd

A.C.N. 646 309 257

ANNUAL REPORT
30 June 2021

Contents

Director's report

Your Director presents the report on Capricorn Orogen Pty Ltd (**Capricorn Orogen** or **the Company**) for the financial period to 30 June 2021.

Capricorn Orogen was incorporated on 1 December 2020 for the purpose of acquiring mining tenements in Western Australia.

Director

The name of the Director in office at any time during or since the end of the financial period is:

- Brian Bernard Rodan Sole Director

The Director has been in office since incorporation to the date of this report. For additional information on the Director, including details of the qualifications of the Director, please refer to the paragraph 'Information relating to the Director of this Director's Report.

Company secretary

The sole Director also held the position of Company Secretary during the period ended 30 June 2021.

Dividend paid or recommended

There were no dividends paid or recommended during the period ended 30 June 2021.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the period to 30 June 2021 other than disclosed elsewhere in this Annual Report.

Operating and financial review

Nature of Operations and Principal Activities

The Company was incorporated as a proprietary company limited by shares on 1 December 2020, for the purpose of acquiring, exploring, and developing copper, gold, and molybdenum projects in Western Australia.

Operations Review

The Company's main business undertaking is the exploration for and development of mineral resources. During the year the company acquired various tenements and has entered a sale agreement to acquire a large and contiguous 3,602km^2 tenement package in the Gascoyne province of Western Australia.

Financial Review

Operating Results

For the period to 30 June 2021 the Company reported a loss before tax of $4,125.

Financial Position

The net liabilities of the Company as at 30 June 2021 were $4,025. As at 30 June 2021, the Company's cash and cash equivalents were $7,037 and it had a working capital deficiency of $150,664.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the period of $4,125 and a net operating cash out-flow of $15,654.

Director's report

Financial Review (continued)

The Director is satisfied that the going concern basis of preparation is appropriate as the Director is confident of the Company's ability to borrow or raise additional funds as and when they are required.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by borrowing from related parties, raising capital and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Events Subsequent to Reporting Date

The following significant events have arisen since the end of the period:

a. **Purchase of tenement package**
On the 9th August 2021 the Company entered into a tenement sale agreement with Mining Investments Australia Pty Ltd (MIA) to acquire a large and contiguous 3,602km^2 tenement package in the Gascoyne province of Western Australia, known as the Ti Tree Shear Project. Settlement has occurred.

b. **Amendment to Binding Heads of Agreement**
The Binding Heads of Agreement dated 14 May 2018 between Milford Resources Pty Ltd (as Seller) and Mining Investments Australia Pty Ltd (as Buyer) was amended by agreement of the parties. The parties subsequently entered a Deed of Acknowledgement dated 10 August 2021 to reflect their intentions. These Tenements will form part of the Tenement package under the tenement sale agreement above.

c. **Royalty Deed**
Redland Plains Pty Ltd (Continuing Party), Mining Investments Australia Pty Ltd (Outgoing Party), and Capricorn Orogen Pty Ltd (Incoming Party) entered a Deed of Assignment and Assumption in relation to the Royalty Deed dated 9 August 2021.

d. **Acquisition of Capricorn Orogen Pty Ltd by Augustus Copper Limited**
On 14 September 2021 Augustus Copper Limited entered into a Share Sale Agreement with Mining Investments Australia Pty Ltd (MIA), pursuant to which Augustus Copper Limited will have a conditional right to acquire 100% of the issued capital in Capricorn Orogen Pty Ltd and will progress towards a listing on the ASX.

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future Developments, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations have not been included in this report as the Director believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Environmental Regulations

The Company's operations are not currently subject to any significant environmental regulations in the jurisdiction it operates in, namely Australia.

Director's report

Information relating to the Director:

■ **Brian Rodan**	☐ Sole Director (appointed 1 December 2020)
Qualifications	☐ Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM)
Experience	☐ Managing Director and owner of Australian Contract Mining Pty Ltd (ACM), a mid-tier contracting company that successfully completed \$1.5B worth of work over a 20 year period. ACM was sold to an ASX listed gold mining company in 2017. Founding Director of Dacian Gold Limited, which purchased the Mt Morgans Gold Mine from the Administrator of Range River Gold Ltd. After it listed on the ASX in 2012 Mr Rodan was Dacian's largest shareholder. Executive Director of Eltin Limited. 15 year tenure with Australia's largest full service ASX listed contract mining company with annual turnover of \$850M (+). Mr Rodan is currently Managing Director and Acting Executive Chairman of Siren Gold Limited (ASX: SNG) and Iceni Gold Ltd (ASX: ICL).

Meetings of director

During the period there was one meeting held by the sole Director.

Indemnifying officers or auditors

Indemnification

The Company has agreed to indemnify the director of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as director of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

Insurance premiums

During the financial period the Company has paid a premium of $Nil in respect of a contract to insure the director and officer of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

Proceedings on behalf of the company

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

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

Auditors independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the period to 30 June 2021 has been received and can be found on page 6.

This Report of the Director is signed in accordance with a resolution of Director made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

BRIAN RODAN
Managing Director
Dated this 10 day of May 2022

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 Capricorn Orogen Pty Ltd for the financial period ended 30 June 2021, 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

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 10th day of May 2022

Statement of profit or loss and other comprehensive income

For the period to 30 June 2021

	Note	1 Dec 2020 to 30 Jun 2021 $
Continuing operations		
Revenue		-
Professional fees		4,125
Loss before tax		(4,125)
Income tax benefit	2	-
Net loss for the period		**(4,125)**
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss		-
Items that may be reclassified subsequently to profit or loss		-
Other comprehensive income for the period, net of tax		-
Total comprehensive loss for the period		**(4,125)**

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2021

	Note	30 Jun 2021 $
Current Assets		
Cash and cash equivalents	3a	7,037
Trade and other receivables	4	16,066
Other current Assets	5	59,636
Total Current Assets		**82,739**
Non-Current Assets		
Capitalised exploration and evaluation expenditure	6	146,639
Total Non-Current Assets		**146,639**
Total Assets		**229,378**
Current Liabilities		
Trade and other payables	7	233,403
Total Current Liabilities		**233,403**
Non-Current Liabilities		-
Total Non-Current Liabilities		**-**
Total Liabilities		**233,403**
Net Assets		**(4,025)**
Equity		
Issued capital	8	100
Accumulated losses		(4,125)
Total Equity		**(4,025)**

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

For the period to 30 June 2021

	Note	Issued Capital $	Accumulated Losses $	Total $
Balance at 1 December 2020		-	-	-
Loss for the period		-	(4,125)	(4,125)
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	**(4,125)**	**(4,125)**
Transactions with owners, directly in equity				
Shares Issued		100	-	100
Balance at 30 June 2021	**8**	**100**	**(4,125)**	**(4,025)**

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

For the period to 30 June 2021

	Note	1 Dec 2020 to 30 Jun 2021 $
Cash flows from operating activities		
Payments to suppliers		(15,654)
Net cash used in operating activities	**3b**	**(15,654)**
Cash flows from Investing activities		
Payments for exploration and evaluation		(158,114)
Net cash provided from financing activities		**(158,114)**
Cash flows from financing activities		
Proceeds from issue of shares		100
Proceeds from borrowings		200,000
Repayments of borrowings		(19,295)
Net cash provided from financing activities		**180,805**
Net increase in cash held		**7,037**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	**3a**	**7,037**

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the financial statements

For the period to 30 June 2021

Note 1 Statement of significant accounting policies

Capricorn Orogen Pty Ltd is a company limited by shares, incorporated on 1 December 2020 and domiciled in Australia. Capricorn Orogen Pty Ltd is a for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

The financial report was authorised for issue on 10 May 2022 by the Director of the Company.

1.1 Basis of preparation

a. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the Corporations Act 2001 (Cth).

Australian Accounting Standards (AASBs) 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 AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

b. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the period of $4,125 and a net operating cash out-flow of $15,654. As at 30 June 2021, the balance of the Company's cash and cash equivalents was $7,037 and it had a working capital deficiency of $150,664.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by borrowing from related parties, raising capital and managing cash flow in line with available funds.

On the 9 May 2022, Augustus Copper Limited provided a Letter of Support and confirmed their intention to continue funding the ongoing operations of the Company, for a period of no less than 12 months ending 9 May 2023.

The directors are satisfied that the going concern basis of preparation is appropriate based on the continued funding support.

c. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are presently no estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the financial statements

For the period to 30 June 2021

Note 1 Statement of significant accounting policies (continued)

1.2 Significant accounting policies

a. Income tax

The income tax expense or income for the year comprises current income tax expense or income and deferred tax expense or income. Current and deferred income tax expense or income is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

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 or assets are therefore measured at the amounts expected to be paid to or recovered from the relevant taxation authority.

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

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

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 the 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.

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.

b. 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 Taxation 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.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

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.

Notes to the financial statements

For the period to 30 June 2021

Note 1 Statement of significant accounting policies (continued)

c. Fair Value

Fair value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Notes to the financial statements

For the period ended 30 June 2021

Note 1 Statement of significant accounting policies (continued)

c. Fair Value (continued)

Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of

unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

d. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

e. Trade and other receivables

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

f. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

g. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Notes to the financial statements

For the period ended 30 June 2021

Note 1 Statement of significant accounting policies (continued)

h. Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instruments is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measure at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortization of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly 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 reliability predicted, the contractual term) of the financial instrument to the net carry 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 in profit or loss. The Company does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

Financial assets at fair value through profit and loss or through other comprehensive Income

Financial assets are classified at 'fair value through profit or loss' or Fair value through 'Other comprehensive Income' when they are either held for trading for purposes 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 if electing to choose 'fair value through profit or loss' or other comprehensive income if electing 'Fair Value through other comprehensive income'.

Financial Liabilities

The Company's financial liabilities include trade and other payables, loan and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Notes to the financial statements

For the period ended 30 June 2021

Note 1 Statement of significant accounting policies (continued)

h. Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial Liabilities are recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

i. Impairment of non-financial 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. 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. 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.

Notes to the financial statements

For the period to 30 June 2021

Note 1 Statement of significant accounting policies (continued)

j. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest income is recognised as it accrues in the profit and loss using the effective interest method.

All revenue is stated net of the amount of Goods and Services Tax (GST).

k. Exploration and evaluation expenditure

Costs incurred with respect to the acquisition of rights to explore for each identifiable area of interest are capitalised on the statement of financial position.

Capitalised 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.

Capitalised costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the capitalised 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.

l. Operating Segments

AASB 8 – Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Board in order to allocate resources to the segments and to assess their performance. Capricorn Orogen Pty Ltd has only one operation, being the exploration for minerals. Consequently, the Company does not report segmented operations.

m. New and Amended Standards Adopted by the Company

The Company has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Company has not had to change its accounting policies.

Notes to the financial statements
For the period to 30 June 2021

Note 2 Income Tax

	1 Dec 2020 to 30 Jun 2021 $
a. Income tax benefit	
Current tax	-
Deferred tax	-
Income tax expenses/(benefit)	-
b. Reconciliation of income tax expense to prima facie tax payable	
The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:	
Prima facie tax on operating loss at 26%	(1,072)
Add / (less) tax effect of:	
• Temporary differences	(31,338)
• Deferred tax asset not brought to account	32,410
	-

Note 3 Cash and cash equivalents

a. Reconciliation of cash

	At 30 Jun 2021 $
Cash at bank	7,037

b. Cash Flow information

Reconciliation of cash flow from operations to loss after income tax	
Loss after income tax	(4,125)
Changes in assets and liabilities	
• Increase in GST receivable	(16,066)
• Increase in loan from related parties	1,100
• Increase in payables	3,437
Cash flow utilised in operations	**(15,654)**

Note 4 Trade and other receivables

Current	
Unsecured	
GST receivable	16,066

Note 5 Other assets

Current	
Deposits paid	59,636

Notes to the financial statements

For the period to 30 June 2021

Note 6 Capitalised Exploration and Evaluation Expenditure

Movement in the Capitalised exploration and evaluation expenditure between the beginning and the end of the current financial period:

	1 Dec 2020 to 30 Jun 2021 $
Balance at the beginning of period	-
Acquisitions of tenements	4,740
Total acquisitions	4,740
Capitalised exploration expenditure	141,899
Closing Balance	**146,639**

Note 7 Trade and other payables

	At 30 Jun 2021 $
Current	
Unsecured	
Trade Payables	48,826
Loans – Related Parties	184,577
	233,403

Note 8 Issued capital

	Number of Shares	At 30 Jun 2021 $
Ordinary Shares	100	100
Total Share Capital		**100**

a. Ordinary Shares

	Number of Shares	1 Dec 2020 to 30 Jun 2021 $
Opening Balance 24 June	-	-
Shares issued during the period		
- Initial share issue at $1.00 per share	100	100
Closing Balance	**100**	**100**

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

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

Notes to the financial statements
For the period to 30 June 2021

Note 8 Issued capital (continued)

Capital Management

Management manages the Company's capital by assessing the Company's cash flow and capital requirements and responding to those needs. These responses include management of capital projects, future acquisition of mineral licences and reduction of expenditure.

Note 9 Financial Risk Management

a. Financial Risk Management Policies

The Board's objective when managing capital is to maintain a strong capital base so as to safeguard the Company's ability to continue as a going concern. This note presents information about the Company's exposure to each of the below risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Company's financial instruments include cash, short term deposits, accounts payable and other receivables.

The Company does not speculate in the trading of derivative instruments.

A summary of the Company's Financial Assets and Liabilities is shown below:

Subsidiary	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	Total $
Financial Assets at amortised cost:				
Cash and cash equivalents	7,037	-	-	7,037
Trade and other receivables	-	-	16,066	16,066
Other asset	-	-	59,636	59,636
Total Financial Assets	7,037	-	75,702	82,739
Financial Liabilities at amortised cost:				
Trade and other payables	-	-	233,403	233,403
Total Financial Liabilities	-	-	233,403	233,403
Net Financial Assets/(Liabilities)	7,037	-	(157,701)	(150,664)

b. Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate and equity price risk. However, the sole material risk at the present stage of the Company is liquidity risk.

The Board of Director's has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing risks for the Company and setting appropriate risk limits and controls. The Company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

Notes to the financial statements
For the period ended 30 June 2021

Note 9 Financial Risk Management (continued)

i. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material credit risk.

ii. Liquidity risk

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

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Company include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date with the exception of the unsecured loan.

Contractual Maturities

The following are the contractual maturities of financial liabilities of the Company:

	Within 1 year	**Greater than 1 year**	**Total**
	$	**$**	**$**
Financial liabilities due for payment:			
Trade and other payables	233,403	-	233,403
Total Financial Assets	233,403	-	233,403
Financial Assets:			
Cash and cash equivalents	7,037	-	7,037
Trade and other receivables	16,066	-	16,066
Other assets	59,636		59,636
	82,739	-	82,739
Net inflow/(outflow) on financial instruments	**(150,664)**	-	**(150,664)**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Notes to the financial statements
For the period ended 30 June 2021

Note 9 Financial Risk Management (continued)

iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material market risk.

iv. Sensitivity Analysis

Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material financial risk sensitivities.

v. Net Fair Values

The fair values of financial assets and financial liabilities are presented in the table below and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

	Note	Carrying Amount $	Fair Value $
Financial Assets:			
Cash and cash equivalents	3a	7,037	7,037
Trade and other receivables	4	16,066	16,066
Other assets	5	59,636	59,636
		82,739	82,739
Financial liabilities:			
Trade and other payables	7	233,403	233,403
Total Financial Assets		233,403	233,403

Financial instruments whose carrying value is equivalent to fair value due to their nature include

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

Note 10 Contingent assets and liabilities

The company has no contingent assets or liabilities as at 30 June 2021.

Notes to the financial statements
For the period to 30 June 2021

Note 11 Events subsequent to reporting date

The financial report was authorised for issue on 10 May 2022 by the Director. The following significant events have arisen since the end of the period.

a. **Purchase of tenement package**
On 9 August 2021 the Company entered into a tenement sale agreement with Mining Investments Australia Pty Ltd (MIA) to acquire a large and contiguous 3,602km2 tenement package in the Gascoyne province of Western Australia, known as the Ti Tree Shear Project. Settlement has occurred.

b. **Amendment to Binding Heads of Agreement**
The Binding Heads of Agreement dated 14 May 2018 between Milford Resources Pty Ltd (as Seller) and Mining Investments Australia Pty Ltd (as Buyer) was amended by agreement of the parties. The parties subsequently entered a Deed of Acknowledgement dated 10 August 2021 to reflect their intentions. These Tenements will form part of the Tenement package under the tenement sale agreement above.

c. **Royalty Deed**
Redland Plains Pty Ltd (Continuing Party), Mining Investments Australia Pty Ltd (Outgoing Party), and Capricorn Orogen Pty Ltd (Incoming Party) entered a Deed of Assignment and Assumption in relation to the Royalty Deed dated 9 August 2021.

d. **Acquisition of Capricorn Orogen Pty Ltd by Augustus Copper Limited**
On 14 September 2021 Augustus Copper Limited entered into a Share Sale Agreement with Mining Investments Australia Pty Ltd (MIA), pursuant to which Augustus Copper Limited will have a conditional right to acquire 100% of the issued capital in Capricorn Orogen Pty Ltd and will progress towards a listing on the ASX.

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Note 12 Key Management Personnel compensation (KMP)

The name and position of the KMP is as follows:

- Brian Bernard Rodan — Sole Director (appointed 1 December 2020)

No benefits were paid or provided to KMP during the period to 30 June 2021.

Notes to the financial statements
For the period to 30 June 2021

Note 13 Related party transactions

Transactions between parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Related party transactions with Capricorn Orogen Ltd are listed below:

	1 Dec 2020 to 30 Jun 2021 $	Amounts outstanding at 30 Jun 2021 $
101 Consulting Pty Ltd:		
101 Consulting Pty Ltd, a business controlled by Bronwyn Bergin, spouse of Mr Brian Rodan, provides administration support services.		
Fees expensed during the period	2,750	2,750

Note 14 Company details

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

Address: Level 2 41-43 Ord Street
West Perth WA 6005

Director's Declaration

The Director has determined that the Company is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards as described in Note 1 to the financial statements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

   b. give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

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.

This declaration is made in accordance with a resolution of the Board of Director and is signed for and on behalf of the Director by:

BRIAN RODAN
Sole Director
Dated this 10 day of May 2022.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CAPRICORN OROGEN PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Capricorn Orogen Pty Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the 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 period then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.1a.

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 period ended 30 June 2021, 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 1.1a, 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 10th day of May 2022