# K2O Potash Corp. Ltd.

**ABN 92 654 430 332**

## Consolidated Financial Statements

**For the Year Ended 31 December 2023**

**K2O Potash Corp. Ltd.**

**ABN 92 654 430 332**

# Contents

## For the Year Ended 31 December 2023

# Directors' Report

## For the Year Ended 31 December 2023

The directors present their report, together with the consolidated financial statements of the Group, being the Company and its controlled entities, for the financial year ended 31 December 2023.

As the Company was incorporated on 12 October 2021, the comparative financial information presented represents the period from the date of incorporation to 31 December 2022 as allowed under Section 323D of the *Corporations Act 2001*, whereas the current year financial information presented is for the full financial year ended 31 December 2023.

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

| | |
|---|---|
| Mr Francesco Cannavo | |
| Experience | Mr Cannavo is an experienced public company director and entrepreneur with significant business and investment experience across a number of industries, including mining and natural resources. He has a strong network of investors and industry contacts throughout the Asia-Pacific region and has extensive experience in capital raises, investments and initial public offerings.<br><br>Mr Cannavo has been instrumental in assisting several listed and unlisted companies achieve their growth strategies through the raising of capital and acquisition of assets. |
| Special responsibilities | Non-Executive Director |
| Other current directorships in listed entities | He is currently a Non-Executive Director of Golden Mile Resources Ltd (ASX: G88), Western Mines Group Ltd (ASX: WMG), Lightning Minerals Ltd (ASX: L1M), and BPH Global Ltd (ASX: BP8). |

| | |
|---|---|
| Mr Michael Robin Beer | |
| Qualifications | Business degree from RMIT;<br>Fellow of the Chartered Accountants Australia & New Zealand, FCA;<br>Awarded the National Meritorious Service Award in 2001 for outstanding service to the Profession and particularly the Institute of Chartered Accountants in Australia;<br>Member of the Governance Institute of Australia |
| Experience | Mr Beer is a Chartered Accountant and Chartered Secretary and is a principal at Beer and Co Pty Ltd in Melbourne, a corporate advisory firm which assists various companies in a range of commercial activities.<br><br>Beer and Co retains an Australian Financial Services Licence. Michael is a Fellow of the Institute of Chartered Accountants, FCA. He has a wide range of auditing, managing and investment experience across various industries.<br><br>Michael is a Director in the following companies: Beer and Co Pty Ltd, Hydra Light International Ltd, and Agri Skylight Ltd.<br><br>Michael has also held various senior positions as Accountant, Auditor and/or Financial Controller for British Petroleum Group and Price Waterhouse and Co. |
| Special responsibilities | Executive Chairman and Company Secretary (resigned 1 May 2024) |
| Other current directorships in listed entities | Michael is currently a Non-Executive Chairman of Agri Skylight Ltd (NSX: AGS). |

**Information on directors (continued)**

| | |
|---|---|
| Mr Justyn Stedwell | Appointed 29 September 2023 |
| Qualifications | Bachelor of Commerce from Monash University;<br>Graduate Diploma of Accounting from Deakin University;<br>Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia |
| Experience | Justyn has over 17 years' experience as a Company Secretary of ASX listed companies and has also served as a Non-Executive Director on several ASX listed company Boards. |
| Special responsibilities | Non-Executive Director and Company Secretary (appointed 1 May 2024) |
| Other current directorships in listed entities | N/A |

| | |
|---|---|
| Dr Karen Lloyd | Resigned 26 September 2023 |
| Qualifications | BSc (Hons) Geology,<br>MBA,<br>PhD (Mining and Metallurgical Engineering),<br>FAusIMM. |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal activities**

The principal activities of the Group during the financial year:

K2O Potash Corp. Ltd. is a mining exploration company which held interests in exploration assets focused on potash located in Western Australian. The Group intends to undertake systematic exploration programs and progress technical studies on these exploration assets, subject to the availability of suitable funding, to study and assess their economic viability and ultimately commence mining operations (if commercially viable to do so).

In October 2022, the Group has submitted 2 tenement applications for the exploitation of Potash in Western Poland with the Polish Ministry of Climate and Environment ("Ministry") and is continuing to wait for the grant of these tenement applications. The Group was advised by the Ministry on 2 June 2023 that an additional Polish company has also made application for the same areas in Western Poland which has triggered two formal reviews which continues to take several months to be resolved.

On 22 January 2024, the Group submitted an application to surrender the right titles and interests in the mining tenements held at Linke Lakes for Exploration Licence 38/3735 and 69/4043. These applications were approved by the Department of Mines, Industry Regulation and Safety in Western Australia and refunds for the excess rates paid was received on 10 April 2024.

Except for the matters stated in the "Significant changes in state of affairs" section below, no other significant change in the nature of these activities occurred during the year.

**Operating results**

The consolidated loss of the Group amounted to $489,584 (2022: $506,494).

**Review of operations**

A review of the Group operations during the financial year and the results of those operations found that during the year, the Group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

# Directors' Report
## For the Year Ended 31 December 2023

### Review of operations (continued)

The Company was successful in raising $250,000, before costs, during the year to fund its operations.

### Significant changes in state of affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

i) Dr Karen Lloyd stepped down as director on 26 September 2023 and Mr Justyn Stedwell was appointed on 29 September 2023; and

ii) Issue of 2,500,000 ordinary shares at $0.10 each under a private placement

### Matters or circumstances arising after the end of the year

In May 2023, the Group entered into a lease agreement for an office space in Melbourne, Australia, for a term of 1 year commencing 1 June 2023, with an option to extend for a further term of 1 year. Subsequent to 31 December 2023, management has informed the property agent of the Group's decision to take up the option to extend the lease for a further term of 1 year commencing 1 June 2024. The agreed fixed rental increase of 4% will apply from that date. On 12 May 2024, the Group entered into a new lease agreement for the current office space with an option to extend for a further 2 terms of 1 year each, commencing 1 June 2025 and 1 June 2026, with a fixed rental increase of 4% at each time should the Group take up the option to extend.

On 9 January 2024, the Company incorporated a wholly-owned subsidiary, Critical New Age Minerals Pty Ltd (CNAM). From the date from incorporation to the date of this report, CNAM has remained dormant. CNAM's principal activities are to identify opportunities for the discovery and development of critical metal deposits within the prolific Victorian and Northern Australian states.

On 22 January 2024, the Group submitted an application to surrender the right titles and interests in the mining tenements held at Linke Lakes for Exploration Licence 38/3735 and 69/4043. These applications were approved by the Department of Mines, Industry Regulation and Safety in Western Australia and refunds for the excess rates paid was received on 10 April 2024.

On 15 February 2024, a total of 10,000,000 unlisted options with an exercise price of $0.25 each and expiring 5 years from the date of issue was issued at no cost to the following personnel:

- Apertus Capital Pty Ltd: 2,000,000 unlisted options (related to Francesco Cannavo);
- Michael Beer & Assoc Pty Ltd <Beer Super Fund Account>: 5,000,000 unlisted options;
- Mr Justyn Stedwell: 2,000,000 unlisted options; and
- Mr Michal Zwyiecki: 1,000,000 unlisted options.

Based on preliminary calculation performed, each option is estimated to have a grant date value of $0.06.

In March 2024, the Company raised $100,000 via a private placement of 1,000,000 ordinary shares at $0.10 each.

In May 2024, CNAM entered into a share sale and purchase deed to acquire Savic Minerals Pty Ltd which holds two Rare Earth tenements in Western Victoria which abut the South Australian border. The acquisition has not yet been completed as at the date of this report and is expected to be completed at the end of June 2024.

### Matters or circumstances arising after the end of the year (continued)

In October 2022, the Group lodged 2 tenement applications for the exploration of Potash in Western Poland with the Polish Ministry of Climate and Environment (“Ministry”) and is continuing to wait for a decision on the granting of these tenements. The Group was advised by the Ministry on 2 June 2023, that an additional Polish company has also made application for the same areas in Western Poland which has triggered a number of formal reviews of each party's applications. A final decision by the Ministry is expected by the end of May 2024.

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

### Future developments and results

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

### Environmental matters

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

### Dividends paid or recommended

No dividends were paid or declared since the start of the financial year (2022: None). No recommendation for payment of dividends has been made.

### Company secretary

Michael Robin Beer was appointed company secretary on 21 February 2022 and stepped down on 1 May 2024.

Justyn Stedwell was appointed company secretary on 1 May 2024.

### Meetings of directors

During the financial year, 1 meeting of directors was held. Attendances by each director during the year were as follows:

| | Directors' Meetings | |
|---|---|---|
| | Number eligible to attend | Number attended |
| Mr Francesco Cannavo | 1 | - |
| Mr Michael Robin Beer | 1 | 1 |
| Dr Karen Lloyd | 1 | - |
| Mr Justyn Stedwell | - | - |

# Directors' Report

## For the Year Ended 31 December 2023

### Options

#### Unissued shares under option

At the date of this report, the unissued ordinary shares of K2O Potash Corp. Ltd. under option are as follows:

| Grant Date | Date of Expiry | Exercise Price $ | Number under Option |
|---|---|---|---|
| 06 April 2022 | 15 March 2028 | 0.25 | 500,000 |
| 16 March 2023 | 15 March 2028 | 0.25 | 7,500,000 |
| 12 July 2023 | 16 March 2028 | 0.25 | 1,000,000 |
| 15 February 2024 | 15 February 2029 | 0.25 | 10,000,000 |
| | | | 19,000,000 |

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or a controlled entity.

#### Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of K2O Potash Corp. Ltd.

#### Proceedings on behalf of Company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* 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.

#### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2023 has been received and can be found on page 6 of the consolidated financial report.

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

Executive Chairman: ..............................................................................................................................................
Mr Michael Robin Beer

Dated this 31st day of May 2024

## Auditor's independence declaration

As lead auditor for the audit of the consolidated financial report of K2O Potash Corp. Ltd and its controlled entities for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to the K2O Potash Corp. Ltd and its controlled entities during the period.

HLB Mann Judd

**HLB Mann Judd**
**Chartered Accountants**

**Jude Lau**
**Partner**

Melbourne
31 May 2024



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K2O Potash Corp. Ltd.

ABN 92 654 430 332

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## For the Year Ended 31 December 2023

| | Note | 2023<br>$ | 12 October 2021 - 31 December 2022<br>$ |
|---|---|---|---|
| Finance income | | **1,955** | 1,601 |
| Lease income from sub-lease | 11 | **15,736** | - |
| Other income | | **200** | 500 |
| Depreciation and amortisation expense | | **(15,318)** | - |
| Computer and website expenses | | **(2,702)** | (7,609) |
| Consulting and professional fees | | **(303,048)** | (296,962) |
| Exploration and tenement expenditure | | **(64,333)** | (74,113) |
| Finance expenses | | **(1,408)** | (909) |
| Marketing and sponsorship expenses | | **(14,652)** | (3,200) |
| Other expenses | | **(15,698)** | (11,618) |
| Travel and accommodation | | **(90,316)** | (114,184) |
| **Loss before income tax** | | **(489,584)** | (506,494) |
| Income tax expense | 5 | **-** | - |
| **Net loss for the year/period** | | **(489,584)** | (506,494) |
| **Other comprehensive loss, net of income tax** | | | |
| **Items that will not be reclassified subsequently to profit or loss** | | **-** | - |
| **Items that will be reclassified to profit or loss when specific conditions are met** | | | |
| Exchange differences on translating foreign controlled entities | 14 | **(4,402)** | (11,098) |
| **Other comprehensive income for the year/period, net of tax** | | **(4,402)** | (11,098) |
| **Total comprehensive loss for the year/period** | | **(493,986)** | (517,592) |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

## As At 31 December 2023

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 7 | **120,105** | 350,245 |
| Trade and other receivables | 8 | **27,132** | 18,462 |
| Other assets | 10 | **24,518** | 4,240 |
| **TOTAL CURRENT ASSETS** | | **171,755** | 372,947 |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 9 | **5,952** | - |
| Right-of-use assets | 11(a) | **34,304** | - |
| **TOTAL NON-CURRENT ASSETS** | | **40,256** | - |
| **TOTAL ASSETS** | | **212,011** | 372,947 |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 12 | **68,448** | 20,566 |
| Lease liabilities | 11(b) | **24,385** | - |
| **TOTAL CURRENT LIABILITIES** | | **92,833** | 20,566 |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | 11(b) | **10,703** | - |
| **TOTAL NON-CURRENT LIABILITIES** | | **10,703** | - |
| **TOTAL LIABILITIES** | | **103,536** | 20,566 |
| **NET ASSETS** | | **108,475** | 352,381 |
| **EQUITY** | | | |
| Issued capital | 13 | **1,028,873** | 839,973 |
| Reserves | 14 | **75,680** | 18,902 |
| Accumulated losses | 15 | **(996,078)** | (506,494) |
| **TOTAL EQUITY** | | **108,475** | 352,381 |

The accompanying notes form part of these financial statements.

K2O Potash Corp. Ltd.

ABN 92 654 430 332

# Consolidated Statement of Changes in Equity
## For the Year Ended 31 December 2023

**2023**

| | Note | Issued Capital $ | Accumulated Losses $ | Foreign Currency Translation Reserve $ | Option Reserve $ | Total $ |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | 13,14, 15 | **839,973** | **(506,494)** | **(11,098)** | **30,000** | **352,381** |
| Net loss for the year | 15 | **-** | **(489,584)** | **-** | **-** | **(489,584)** |
| Net foreign exchange gains/(losses) | 14 | **-** | **-** | **(4,402)** | **-** | **(4,402)** |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Contribution of equity | 13 | **188,900** | **-** | **-** | **-** | **188,900** |
| Options granted | 14 | **-** | **-** | **-** | **61,180** | **61,180** |
| **Balance at 31 December 2023** | 13,14, 15 | **1,028,873** | **(996,078)** | **(15,500)** | **91,180** | **108,475** |

**12 October 2021 - 31 December 2022**

| | Note | Issued Capital $ | Accumulated Losses $ | Foreign Currency Translation Reserve $ | Option Reserve $ | Total $ |
|---|---|---|---|---|---|---|
| **Balance at 12 October 2021** | 13,14, 15 | - | - | - | - | - |
| Net loss for the period | 15 | - | (506,494) | - | - | (506,494) |
| Net foreign exchange gains/(losses) | 14 | - | - | (11,098) | - | (11,098) |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Share based payment transactions (capital raising fees) | 13 | 30,000 | - | - | - | 30,000 |
| Contribution of equity | 13 | 848,060 | - | - | - | 848,060 |
| Transaction costs | 13 | (35,087) | - | - | - | (35,087) |
| Shares bought back during the year | 13 | (3,000) | - | - | - | (3,000) |
| Options granted | 14 | - | - | - | 30,000 | 30,000 |
| **Balance at 31 December 2022** | 13,14, 15 | 839,973 | (506,494) | (11,098) | 30,000 | 352,381 |

# Consolidated Statement of Cash Flows
## For the Year Ended 31 December 2023

| | Note | 2023 $ | 12 October 2021 - 31 December 2022 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Receipts from customers | | **13,090** | 500 |
| Payments to suppliers and employees | | **(468,611)** | (477,077) |
| Interest received | | **1,597** | 856 |
| Finance costs | | **(161)** | (909) |
| **Net cash provided by/(used in) operating activities** | 16 | **(454,085)** | (476,630) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Purchase of property, plant and equipment | | **(7,145)** | - |
| **Net cash provided by/(used in) investing activities** | | **(7,145)** | - |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from issue of shares | | **250,000** | 846,060 |
| Proceeds from issue of options | | **80** | - |
| Share buy-back payment | | **-** | (3,000) |
| Repayment of lease liabilities | | **(14,588)** | - |
| Payment of transaction costs | | **-** | (5,087) |
| **Net cash provided by/(used in) financing activities** | | **235,492** | 837,973 |
| Effects of exchange rate changes on cash and cash equivalents | | **(4,402)** | (11,098) |
| Net increase/(decrease) in cash and cash equivalents held | | **(230,140)** | 350,245 |
| Cash and cash equivalents at beginning of year/period | | **350,245** | - |
| **Cash and cash equivalents at end of financial year/period** | 7(a) | **120,105** | 350,245 |

The accompanying notes form part of these financial statements.

The consolidated financial report covers K2O Potash Corp. Ltd. ("the Company") and its controlled entities ('the Group'). K2O Potash Corp. Ltd. is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 31 May 2024.

As the Company was incorporated on 12 October 2021, the comparative financial information presented represents the period from the date of incorporation to 31 December 2022 as allowed under Section 323D of the *Corporations Act 2001*, whereas the current year financial information presented is for the full financial year ended 31 December 2023.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below.

### 2 Material Accounting Policies Information

#### (a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in Note 22 to the financial statements.

*Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

## 2 Material Accounting Policies Information (continued)

### (b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

### (c) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## 2 Material Accounting Policies Information (continued)

### (c) Income Tax (continued)

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

### (d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### (e) Goods and services tax (GST) and other similar taxes

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

### (g) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## 2 Material Accounting Policies Information (continued)

### (g) Financial instruments (continued)

**Financial assets (continued)**

*Classification*

On initial recognition, the Group classifies its financial assets into the following category, those measured at:

- amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

*Amortised cost*

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

*Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

### 2 Material Accounting Policies Information (continued)

#### (g) Financial instruments (continued)

**Financial assets (continued)**

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

**Financial liabilities**

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade and other payables.

#### (h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

**Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

| **Fixed asset class** | **Useful life** |
|---|---|
| Other equipment | 4 years |
| Office furniture and fittings | 5 years |
| Office Equipment | 4 years |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (i) Leases

At inception of a contract, the Group assesses whether a lease exists.

**Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

### 2 Material Accounting Policies Information (continued)

#### (i) Leases (continued)

**Right-of-use asset**

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

**Lease liability**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Adoption of short term leases or low value asset exception**

*Exceptions to lease accounting*

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (j) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is any evidence of impairment for its non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

### 2 Material Accounting Policies Information (continued)

#### (j) Impairment of non-financial assets (continued)

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

#### (k) Foreign currency transactions and balances

**Transaction and balances**

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

**Group companies**

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

#### (l) 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 settlement of liabilities in the ordinary course of business. The Group incurred a net loss from ordinary activities of $489,584 (2022: $506,494) for the year ended 31 December 2023 and had negative cash from operating activities of $454,085 (2022: $476,630).

## 2 Material Accounting Policies Information (continued)

### (l) Going concern (continued)

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern due to the following factors:

- The Group lodged 2 tenement applications for the exploration of Potash in Western Poland with the Polish Ministry of Climate and Environment (“Ministry”) and is continuing to wait for a decision on the granting of these tenements. The Group was advised by the Ministry on 2 June 2023, that an additional Polish company has also made application for the same areas in Western Poland which has triggered a number of formal reviews of each party's applications. A final decision by the Ministry is expected by the end of May 2024.

- Subject to the successful outcomes of the reviews, above, the Group is working on effecting a capital raising in the second half of the calendar year;

- Should the Group be unsuccessful in being granted the 2 tenements, the Directors are confident of securing alternative minerals projects for the building of a vibrant and successful future for the Group, including an appropriate capital raising;

- K2O is a resources company, and like all its peers, relies on equity raisings to fund its operating expenses until it generates positive cash flows. Many such companies never get to the point of positive cash flows. The Directors of K2O are confident that the Group will reach positive cash flows in the future and will rely on equity capital raisings until this occurs; and

- Selectively controlling and reducing its expenditure to conserve its cash reserve.

Accordingly, the Directors believe that the Group 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.

In the event that the Group is unsuccessful in implementing the above-stated initiatives, a material uncertainty exists, that may cast significant doubt on the the Group's ability to continue as a going concern and its ability to recover assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

### (m) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 January 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

### (n) New accounting standards and interpretations issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The directors have not made any significant accounting estimates or judgements which are likely to affect the future results of the Company.

### 4 Result for the Year

The result for the year includes the following specific expenses:

| | 2023 | 12 October 2021 - 31 December 2022 |
|---|---|---|
| | $ | $ |
| Depreciation expense | **15,318** | - |
| Rental expense on operating leases: | | |
| Exploration expenditure paid via issue of options | **-** | 30,000 |

### 5 Income Tax Expense

**Reconciliation of income tax to accounting profit:**

| | 2023 | 12 October 2021 - 31 December 2022 |
|---|---|---|
| | $ | $ |
| Loss for the year/period before income tax | **(489,584)** | (506,494) |
| Tax at the statutory tax rate | **30.00 %** | 30.00 % |
| Prima facie tax at the statutory rate | **(146,875)** | (151,948) |
| Add tax effect of: | | |
| - other non-allowable items | **824** | 9,000 |
| - difference in tax rate | **-** | 2,212 |
| - non-deductible expenses | **(1,191)** | 13,078 |
| - tax losses not brought to account | **147,242** | 127,658 |
| **Income tax expense** | **-** | - |

### 6 Business Combinations

#### (a) Acquisition of K2O Kozuchów Zielona Góra Sp. z o.o.

On 13 September 2022, the Company acquired K2O Kozuchów Zielona Góra Sp. z o.o., a shelf company incorporated and domiciled in Warsaw, Poland. The cash purchase consideration was PLN 12,870.66 (equivalent to A$4,036.55). As at the date of acquisition, K2O Kozuchów Zielona Góra Sp. z o.o., had cash of PLN 4,372.70 (equivalent to A$1,364.70). There were no other assets or liabilities as at the date of acquisition. As this was a shelf company with only cash assets, no goodwill was recognised in respect of this acquisition. The difference between the purchase consideration and the cash assets required was expensed on consolidation.

#### (b) Acquisition of K2O Zelazna Góra Sp. z o.o.

On 13 September 2022, the Company acquired K2O Zelazna Góra Sp. z o.o., a shelf company incorporated and domiciled in Warsaw, Poland. The cash purchase consideration was PLN 12,716.82 (equivalent to A$3,988.30). As at the date of acquisition, K2O Zelazna Góra Sp. z o.o., had cash of PLN 4,225.10 (equivalent to A$1,318.63). There were no other assets or liabilities as at the date of acquisition. As this was a shelf company with only cash assets, no goodwill was recognised in respect of this acquisition. The difference between the purchase consideration and the cash assets required was expensed on consolidation.

#### (c) Acquisition of K2O Otyn Nowa Sól Sp. z o.o.

On 13 September 2022, the Company acquired K2O Otyn Nowa Sól Sp. z o.o., a shelf company incorporated and domiciled in Warsaw, Poland. The cash purchase consideration was PLN 12,870.66 (equivalent to A$4,036.55). As at the date of acquisition, K2O Otyn Nowa Sól Sp. z o.o., had cash of PLN 4,372.70 (equivalent to A$1,364.70). There were no other assets or liabilities as at the date of acquisition. As this was a shelf company with only cash assets, no goodwill was recognised in respect of this acquisition. The difference between the purchase consideration and the cash assets required was expensed on consolidation.

There were no businesses acquired during the financial year ended 31 December 2023.

### 7 Cash and Cash Equivalents

| | Note | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| Cash on hand | | **10** | 10 |
| Cash at bank | | **111,272** | 343,006 |
| Monies held in trust | | **8,823** | 7,229 |
| **Total cash and cash equivalents** | 7(a) | **120,105** | 350,245 |

#### (a) Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

| | Note | 2023 | 2022 |
|---|---|---|---|
| Cash and cash equivalents | 7 | **120,105** | 350,245 |
| **Balance as per consolidated statement of cash flows** | | **120,105** | 350,245 |

### 8 Trade and Other Receivables

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Trade receivables | **2,846** | - |
| GST and VAT receivable | **22,624** | 14,503 |
| Amount receivable from related party | **550** | 2,000 |
| Other receivables | **1,112** | 1,959 |
| **Total current trade and other receivables** | **27,132** | 18,462 |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 9 Property, Plant and Equipment

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| **Other equipment** | | |
| At cost | **4,895** | - |
| Accumulated depreciation | **(919)** | - |
| **Total other equipment** | **3,976** | - |
| **Office furniture and fittings** | | |
| At cost | **1,891** | - |
| Accumulated depreciation | **(235)** | - |
| **Total office furniture and fittings** | **1,656** | - |
| **Office equipment** | | |
| At cost | **359** | - |
| Accumulated depreciation | **(39)** | - |
| **Total office equipment** | **320** | - |
| **Total property, plant and equipment** | **5,952** | - |

### 9 Property, Plant and Equipment (continued)

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| | Other Equipment | Office Furniture and Fittings | Office Equipment | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Year ended 31 December 2023** | | | | |
| Balance at the beginning of year | - | - | - | - |
| Additions | 4,895 | 1,891 | 359 | 7,145 |
| Depreciation expense | (919) | (235) | (39) | (1,193) |
| **Balance at the end of the year** | 3,976 | 1,656 | 320 | 5,952 |

There were no property, plant or equipment during the period ended 31 December 2022.

### 10 Other Assets

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Prepayments | 19,933 | 4,240 |
| Security deposit for lease | 4,585 | - |
| **Total current other assets** | 24,518 | 4,240 |

### 11 Leases

**The Group as a lessee**

The Group has a lease agreement in place for its office premises.

*Terms and conditions of leases*

In May 2023, the Group entered into a lease agreement for an office space in Melbourne, Australia, for a term of 1 year commencing 1 June 2023, with an option to extend for a further term of 1 year. The rental charge is $2,084 per month, with a fixed rental increase of 4% should the Group take up the option to extend.

#### (a) Right-of-use assets

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| **Office premises** | | |
| At cost | 48,429 | - |
| Accumulated depreciation | (14,125) | - |
| **Total right-of-use assets** | 34,304 | - |

## 11 Leases (continued)

### (a) Right-of-use assets (continued)

Movements in carrying amounts of right-of-use assets:

| | Office Premises | Total |
|---|---|---|
| | $ | $ |
| **Year ended 31 December 2023** | | |
| Balance at beginning of year | - | - |
| Additions to right-of-use assets | 48,429 | 48,429 |
| Depreciation charge | (14,125) | (14,125) |
| **Balance at end of year** | **34,304** | **34,304** |

There were no lease agreements or right-of-use assets during the period ended 31 December 2022.

### (b) Lease liabilities

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| **Office premises** | | |
| Current lease liabilities | 24,385 | - |
| Non-current lease liabilities | 10,703 | - |
| **Total lease liabilities** | **35,088** | **-** |

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

| | < 1 year | 1 - 5 years | > 5 years | Total undiscounted lease liabilities | Lease liabilities included in this Consolidated Statement Of Financial Position |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **2023** | | | | | |
| Lease liabilities | 25,592 | 10,837 | - | 36,429 | 35,088 |

There were no lease agreements or lease liabilities during the period ended 31 December 2022.

### 11 Leases (continued)

#### (c) Extension options

As mentioned previously, the lease agreement contains extension options which allow the Group to extend the lease term by the original non-cancellable period of the lease.

The Group includes options in the leases to provide flexibility and certainty to the Group operations and reduce costs of moving premises and the extension options are at the Group's discretion.

At commencement date and each subsequent reporting date, the Group assesses where it is reasonably certain that the extension options will be exercised.

Subsequent to 31 December 2023, management has informed the property agent of the Group's decision to take up the option to extend the lease for a further term of 1 year commencing 1 June 2024. The agreed fixed rental increase of 4% will apply from that date.

On 12 May 2024, the Group entered into a new lease agreement for the current office space with an option to extend for a further 2 terms of 1 year each, commencing 1 June 2025 and 1 June 2026, with a fixed rental increase of 4% at each time should the Group take up the option to extend. It is not yet reasonably certain that the extension options will be exercised and hence, has not been included in the lease calculation.

#### (d) Consolidated Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Income from sub-leasing right-of-use assets | **15,736** | - |
| Interest expense on lease liabilities | **(1,247)** | - |
| Depreciation of right-of-use assets | **(14,125)** | - |
| | **364** | - |

#### (e) Consolidated Statement of Cash Flows

| | 2023 | 2022 |
|---|---|---|
| Total cash outflow for leases | **14,588** | - |

## 11 Leases (continued)

### The Group as a lessor

### Operating leases

The Group sub-leases the excess office space in Melbourne, Australia, for a term of 1 year commencing 1 June 2023, with an option to extend for a further term of 1 year. The rental charge is $416.80 per month, with a fixed rental increase of 4% should the sub-tenants take up the option to extend. Tenants have a notice period of 1 month to terminate the lease and any further extentions will be in line with any negotiations or variations of the original lease agreement the Group has with the property agent/landlord.

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to operating leases where the Group is a lessor are shown below:

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| **Operating leases** | | |
| Income from sub-leasing right-of-use assets | **15,736** | - |
| **Total income relating to operating leases** | **15,736** | - |

Maturity analysis of lease receivables showing the undiscounted lease payments to be received after reporting date for operating leases:

| | 2023 | 2022 |
|---|---|---|
| < 1 year | **28,626** | - |
| Between 1 – 2 years | **13,004** | - |
| **Total undiscounted lease receivable** | **41,630** | - |

## 12 Trade and Other Payables

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Trade payables | **40,036** | 3,954 |
| Sundry payables and accrued expenses | **28,412** | 16,612 |
| **Total current trade and other payables** | **68,448** | 20,566 |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## 13 Issued Capital

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| 17,100,010 (2022: 14,600,010) fully paid ordinary shares | **1,063,960** | 875,060 |
| Share issue costs | **(35,087)** | (35,087) |
| **Total issued capital** | **1,028,873** | 839,973 |

### (a) Ordinary shares

| | 2023 | 2022 |
|---|---|---|
| | No. | No. |
| At the beginning of the reporting year/period | **14,600,010** | - |
| Shares issued during the year/period: | | |
| - Shares issued on incorporation at $1 each | **-** | 10 |
| - Founder shares issued to directors at $0.001 each | **-** | 8,000,000 |
| - Share buyback of founder shares from directors at $0.001 each | **-** | (3,000,000) |
| - Shares issued to vendors pursuant to signed agreement at $0.0001 each | **-** | 500,000 |
| - Shares issued at $0.05 each (internal round) | **-** | 800,000 |
| - Shares issued at $0.10 each | **2,500,000** | 8,000,000 |
| - Shares issued in lieu of capital raising fees at $0.10 each | **-** | 300,000 |
| **At the end of the reporting year/period** | **17,100,010** | 14,600,010 |

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

On 7 April 2022, the Company decided to buy back 3 million ordinary shares. The buy back amounted to $3,000.

## 14 Reserves

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| **Foreign currency translation reserve** | | |
| Opening balance | **(11,098)** | - |
| Foreign currency translation | **(4,402)** | (11,098) |
| **Closing balance** | **(15,500)** | (11,098) |
| **Share option reserve** | | |
| Opening balance | **30,000** | - |
| Options issued to vendors | **-** | 30,000 |
| Options issued as part of placement | **61,180** | - |
| **Closing balance** | **91,180** | 30,000 |
| **Total reserves** | **75,680** | 18,902 |

### (a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

### (b) Share option reserve

This reserve records the cumulative value of employee service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to issued capital.

## 15 Accumulated Losses

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Accumulated losses at the beginning of the financial year/period | **(506,494)** | - |
| Net loss for the year/period | **(489,584)** | (506,494) |
| **Accumulated losses at end of the financial year/period** | **(996,078)** | (506,494) |

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 16 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

| | 2023 | 12 October 2021 - 31 December 2022 |
|---|---|---|
| | $ | $ |
| Net loss for the year/period | **(489,584)** | (506,494) |
| Cash flows excluded from profit attributable to operating activities | | |
| - Interest expense included in financing activities | **1,247** | - |
| - depreciation | **15,318** | - |
| - share based payments | **-** | 30,000 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | **(8,670)** | (16,462) |
| - (increase)/decrease in other assets | **(20,278)** | (4,240) |
| - increase/(decrease) in trade and other payables | **47,882** | 20,566 |
| **Net cash provided by/(used in) operating activities** | **(454,085)** | (476,630) |

#### (b) Changes in liabilities arising from financing activities

| | | | Non-cash changes | | |
|---|---|---|---|---|---|
| | 2022 | Cash flows | AASB 16 additions | Interest accrued | 2023 |
| | $ | $ | $ | $ | $ |
| Lease liabilities | - | (14,588) | 48,429 | 1,247 | 35,088 |
| **Total liabilities from financing activities** | - | (14,588) | 48,429 | 1,247 | 35,088 |

There were no changes in liabilities arising from financing activities during the year ended 31 December 2022.

#### (c) Non-cash financing and investing activities

| | 2023 | 12 October 2021 - 31 December 2022 |
|---|---|---|
| | $ | $ |
| Payment of capital raising fees via the grant of shares | **-** | 30,000 |
| Exploration expenditure paid via issue of options | **-** | 30,000 |
| **Total non-cash financing and investing activities** | **-** | 60,000 |

# Notes to the Financial Statements
## For the Year Ended 31 December 2023

### 17 Options Disclosures

Options granted during the year ended 31 December 2023:

- On 16 March 2023, 7,500,000 options were issued to key management personnel at an issue price of $0.00001 per option and raised $75; and

- On 12 July 2023, 1,000,000 options were issued to a shareholder as free attaching options as part of a private placement.

Options granted during the year ended 31 December 2022:

- On 6 April 2022, 500,000 options were granted to suppliers pursuant to a signed agreement dated on the same day. These options were subsequently issued on 16 March 2023 at an issue price of $0.00001 per option. The fair value of these options, calculated using a Black-Scholes option pricing model was $0.06 per option. According to the agreement, a total of $5 was received for these options.

A summary of the Company options issued is as follows:

| 2023<br>Grant Date | Expiry Date | Exercise price | Start of the year | Granted during the year | Exercised during the year | Expired/ Forfeited/ Other during the year | Balance at the end of the year | Vested and exercisable at the end of the year |
|---|---|---|---|---|---|---|---|---|
| 06 April 2022 | 15 March 2028 | 0.25 | 500,000 | - | - | - | 500,000 | 500,000 |
| 16 March 2023 | 15 March 2028 | 0.25 | - | 7,500,000 | - | - | 7,500,000 | 7,500,000 |
| 12 July 2023 | 16 March 2028 | 0.25 | - | 1,000,000 | - | - | 1,000,000 | 1,000,000 |
| **2022** | | | | | | | | |
| 06 April 2022 | 15 March 2028 | 0.25 | - | 500,000 | - | - | 500,000 | 500,000 |

As at the date of exercise, the weighted average share price of options exercised during the year was $0.25 (2022: $0.25).

The weighted average remaining contractual life of options outstanding at year end was 4.21 years (2022: 5.21 years). The weighted average exercise price of outstanding shares at the end of the reporting period was $0.25 (2022: $0.25).

The weighted average fair value of the options granted during the year was $0.06 (2022: $0.06). These values were calculated by using a Black-Scholes option pricing model applying the following inputs:

| | |
|---|---|
| Grant date: | 12 July 2023 |
| Expiry date: | 16 August 2028 |
| Share price at grant date ($): | 0.10 |
| Exercise price ($): | 0.25 |
| Weighted average life of the option (years): | 4.68 |
| Expected share price volatility: | 100.00 % |
| Risk-free interest rate: | 4.02 % |
| Fair value at grant date ($): | 0.0611 |

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future movements.

The share price at 31 December 2023 was $0.10 (31 December 2022: $0.10).

### 18 Financial Risk Management

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **Financial assets** | | | |
| *Held at amortised cost:* | | | |
| - Cash and cash equivalents | 7 | **120,105** | 350,245 |
| Trade and other receivables | 8 | **4,508** | 3,959 |
| **Total financial assets** | | **124,613** | 354,204 |
| **Financial liabilities** | | | |
| *Measured at amortised cost:* | | | |
| - Trade and other payables | 12 | **68,448** | 20,566 |
| - Lease liabilities | 11(b) | **35,088** | - |
| **Total financial liabilities** | | **103,536** | 20,566 |

**Objectives, policies and processes**

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, liquidity risk, and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Due to the Group's size and operations, the day-to-day risk management is carried out by the Group under policies and objectives which have been approved by the Board of Directors. The Board is responsible for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Mitigation strategies for specific risks faced are described below:

**Liquidity risk**

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due and to continue as a going concern.

The Group manages its liquidity needs by carefully monitoring scheduled cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Group is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to nor intend to enter into any of the financing facility agreements.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

### 18 Financial Risk Management (continued)

The table below reflects the undiscounted contractual maturity analysis for financial liabilities:

*Financial liability maturity analysis - Non-derivative*

| | Weighted average Interest rate | | Within 1 Year | | 1 to 5 Years | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | % | % | $ | $ | $ | $ | $ | $ |
| **Financial liabilities due for payment** | | | | | | | | |
| Trade and other payables | **-** | - | **68,448** | 20,566 | **-** | - | **68,448** | 20,566 |
| Lease liabilities | **5.00** | - | **25,592** | - | **10,837** | - | **36,429** | - |
| **Total contractual outflows** | | | **94,040** | 20,566 | **10,837** | - | **104,877** | 20,566 |

The timing of expected outflows is not expected to be materially different from contracted cashflows.

**Credit risk**

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

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

On a geographical basis, the Group has significant credit risk exposures in Australia and Poland given the location of its operations in those regions. Of its total receivable balance, $10,010 (2022: $2,512) is owing from Poland based debtors.

### 18 Financial Risk Management (continued)

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

*(i) Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas operations in Poland, where it is in the process of applying for mining tenements, which are primarily denominated in Polish Zloty (PLN) and US Dollars (USD).

To mitigate the Group's exposure to foreign currency risk, non-Australian Dollar cash flows are monitored and the Group does not hedge.

Generally, the Group‘s risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows,

| | USD | PLN | Total AUD |
|---|---|---|---|
| **2023** | **$** | **$** | **$** |
| Nominal amounts | | | |
| Financial assets | **3,356** | **14,682** | **18,038** |
| Financial liabilities | **-** | **(5,320)** | **(5,320)** |
| **Short-term exposure** | **3,356** | **9,362** | **12,718** |
| **2022** | | | |
| Nominal amounts | | | |
| Financial assets | 2,949 | 12,151 | 15,100 |
| Financial liabilities | - | (3,954) | (3,954) |
| **Short-term exposure** | 2,949 | 8,197 | 11,146 |

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group‘s financial assets and financial liabilities and the US Dollar – Australian Dollar exchange rate and Polish Zloty – Australian Dollar exchange rate.

It assumes a +/- 10% change of the Australian Dollar / US Dollar exchange rate for the year ended 31 December 2023 (31 December 2022: 10%). A +/- 10% change is considered for the Australian Dollar / Polish Zloty exchange rate (31 December 2022: 10%).

The year end rate is 0.6840 (2022: 0.6775) US Dollar and 0.3719 (2022: 0.3350) Polish Zloty.

### 18 Financial Risk Management (continued)

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the Australian Dollar had strengthened and weakened against the US Dollar and Polish Zloty by 10% (31 December 2022: 10%) and 10% (31 December 2022: 10%) respectively then this would have had the following impact:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | **+10%** | **-10%** | **+10%** | **-10%** |
| **USD** | | | | |
| Net results | **(140)** | **(724)** | 295 | (295) |
| Equity | **(140)** | **(724)** | 295 | (295) |
| **PLN** | | | | |
| Net results | **936** | **(937)** | 820 | (820) |
| Equity | **936** | **(937)** | 820 | (820) |

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

### 19 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Short-term employee benefits | **-** | 7,000 |
| **Total key management personnel remuneration** | **-** | 7,000 |

### 20 Related Parties

#### (a) The Group's main related parties are as follows:

K2O Potash Corp. Ltd. is the parent entity.

Key management personnel - refer to Note 19.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

## 20 Related Parties (continued)

### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

| | Purchases | Sales/ Interest | Balance outstanding<br>Owed to the Company | <br>Owed by the Company |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Key management personnel** | | | | |
| **Karen Lloyd - payment for Founder shares** | | | | |
| 2023 | **-** | **-** | **-** | **-** |
| 2022 | - | - | 2,000 | - |
| **Michael Beer - Consultancy fees** | | | | |
| 2023 | **-** | **-** | **550** | **-** |
| 2022 | 3,500 | - | 350 | - |
| **Francesco Cannavo - Consultancy fees** | | | | |
| 2023 | **-** | **-** | **-** | **-** |
| 2022 | 3,500 | - | - | - |

## 21 Auditor's Remuneration

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Remuneration of the auditor, HLB Mann Judd, for: | | |
| - auditing the financial statements | **15,750** | 15,000 |
| - taxation services | **3,250** | 1,500 |
| **Total auditor's remuneration** | **19,000** | 16,500 |

## 22 Interests in Subsidiaries

### Composition of the Group

| | Principal place of business / Country of Incorporation | Percentage Owned (%)* 2023 | Percentage Owned (%)* 2022 |
|---|---|---|---|
| **Subsidiaries: ** ** | | | |
| K2O Kozuchów Zielona Góra Sp. z o.o. | Warsaw, Poland | **100** | 100 |
| K2O Zelazna Góra Sp. z o.o. | Warsaw, Poland | **100** | 100 |
| K2O Otyn Nowa Sól Sp. z o.o. | Warsaw, Poland | **100** | 100 |

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

** These entities were acquired on 13 September 2022 and have remained dormant since.

## 23 Contingencies and Commitments

### (a) Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023 (31 December 2022: None).

### (b) Commitments for expenditure

Each of the Poland based subsidiaries entered into an agreement with Vistra Corporate Services sp. z o.o. ("Vistra") on 13 September 2022 for the provision of a registered office. The agreements are for an indefinite period of time and monthly service fee is charged at PLN 1,000 (equivalent to A$335), subject to an annual CPI increase. This fee includes basic secretarial fees, such as mail forwarding, etc. These agreements may be terminated by either party with a 3-month written termination notice, effective at the end of the calendar month.

Each of the Poland based subsidiaries entered into a services agreement with Vistra on 30 September 2022 for the provision of accounting and secretarial services. Fees are invoiced monthly based on the type of services provided and respective rates per the fees schedule provided with the agreements. These agreements may be terminated by either party with a 3-month written termination notice, effective at the end of the calendar month.

## 24 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 31 May 2024 by the board of directors.

In May 2023, the Group entered into a lease agreement for an office space in Melbourne, Australia, for a term of 1 year commencing 1 June 2023, with an option to extend for a further term of 1 year. Subsequent to 31 December 2023, management has informed the property agent of the Group's decision to take up the option to extend the lease for a further term of 1 year commencing 1 June 2024. The agreed fixed rental increase of 4% will apply from that date. On 12 May 2024, the Group entered into a new lease agreement for the current office space with an option to extend for a further 2 terms of 1 year each, commencing 1 June 2025 and 1 June 2026, with a fixed rental increase of 4% at each time should the Group take up the option to extend.

On 9 January 2024, the Company incorporated a wholly-owned subsidiary, Critical New Age Minerals Pty Ltd (CNAM). From the date from incorporation to the date of this report, CNAM has remained dormant. CNAM's principal activities are to identify opportunities for the discovery and development of critical metal deposits within the prolific Victorian and Northern Australian states.

On 22 January 2024, the Group submitted an application to surrender the right titles and interests in the mining tenements held at Linke Lakes for Exploration Licence 38/3735 and 69/4043. These applications were approved by the Department of Mines, Industry Regulation and Safety in Western Australia and refunds for the excess rates paid was received on 10 April 2024.

On 15 February 2024, a total of 10,000,000 unlisted options with an exercise price of $0.25 each and expiring 5 years from the date of issue was issued at no cost to the following personnel:

- Apertus Capital Pty Ltd: 2,000,000 unlisted options (related to Francesco Cannavo);
- Michael Beer & Assoc Pty Ltd <Beer Super Fund Account>: 5,000,000 unlisted options;
- Mr Justyn Stedwell: 2,000,000 unlisted options; and
- Mr Michal Zwyiecki: 1,000,000 unlisted options.

Based on preliminary calculation performed, each option is estimated to have a grant date value of $0.06.

In March 2024, the Company raised $100,000 via a private placement of 1,000,000 ordinary shares at $0.10 each.

In May 2024, CNAM entered into a share sale and purchase deed to acquire Savic Minerals Pty Ltd which holds two Rare Earth tenements in Western Victoria which abut the South Australian border. The acquisition has not yet been completed as at the date of this report and is expected to be completed at the end of June 2024.

In October 2022, the Group lodged 2 tenement applications for the exploration of Potash in Western Poland with the Polish Ministry of Climate and Environment (“Ministry”) and is continuing to wait for a decision on the granting of these tenements. The Group was advised by the Ministry on 2 June 2023, that an additional Polish company has also made application for the same areas in Western Poland which has triggered a number of formal reviews of each party's applications. A final decision by the Ministry is expected by the end of May 2024.

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

## 25 Parent entity

The following information has been extracted from the books and records of the parent, K2O Potash Corp. Ltd. and has been prepared in accordance with Australian Accounting Standards.

The financial information for the parent entity, K2O Potash Corp. Ltd. has been prepared on the same basis as the consolidated financial statements except as disclosed below.

*Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| **Statement of Financial Position** | | |
| **Assets** | | |
| Current assets | **151,734** | 362,564 |
| Non-current assets | **141,588** | 25,614 |
| **Total Assets** | **293,322** | 388,178 |
| **Liabilities** | | |
| Current liabilities | **87,515** | 16,611 |
| Non-current liabilities | **10,703** | - |
| **Total Liabilities** | **98,218** | 16,611 |
| **Equity** | | |
| Issued capital | **1,028,873** | 839,973 |
| Accumulated losses | **(924,949)** | (498,406) |
| Option reserve | **91,180** | 30,000 |
| **Total Equity** | **195,104** | 371,567 |
| **Statement of Profit or Loss and Other Comprehensive Income** | | |
| Total loss for the year/period | **(426,543)** | (498,406) |
| **Total comprehensive income** | **(426,543)** | (498,406) |

**Guarantees**

The parent entity has not entered into a Deed of Cross-Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries as at 31 December 2023 or 31 December 2022.

**Contingent liabilities**

The parent entity did not have any contingent liabilities as at 31 December 2023 or 31 December 2022.

**Contractual commitments**

The parent entity did not have any commitments as at 31 December 2023 or 31 December 2022, except for those stated in Note 23 above.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 26 Statutory Information

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

K2O Potash Corp. Ltd.
"Block Arcade"
Office 324, Level 3,
96 Elizabeth Street
MELBOURNE VIC 3000

# Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 31 December 2023 are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and fair view of the financial position and performance 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, based on the factors included in Note 2(l) "Going Concern".

This declaration is made in accordance with a resolution of the Board of Directors.

Executive Chairman ..........................................................................................................................................

Mr Michael Robin Beer

Dated this 31st day of May 2024

**Independent Auditor's Report to the Members of K2O Potash Corp. Ltd**

**Opinion**

We have audited the financial report of K2O Potash Corp. Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, 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 material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and

(b) 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 Group 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 Regarding Going Concern**

We draw attention to Note 2(l) in the financial report, which indicates that the Group incurred a net loss of $489,584 during the year ended 31 December 2023 and, had a negative cash from operating activities of $454,085. As stated in Note 2(l), these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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

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

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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 Group 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 Group 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 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 Group'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 Group'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 Group 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.

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.

**HLB Mann Judd**
**Chartered Accountants**

**Jude Lau**
**Partner**

Melbourne
31 May 2024