



**PINNACLE
MINERALS LTD**

ACN 655 033 677

FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
31 DECEMBER 2021

FINANCIAL REPORT

for the half year ended 31 December 2021

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	8
DIRECTORS' DECLARATION	9
INDEPENDENT AUDITOR'S REPORT	10
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	12
STATEMENT OF FINANCIAL POSITION.....	13
STATEMENT OF CHANGES IN EQUITY	14
STATEMENT OF CASH FLOWS	15
NOTES TO THE FINANCIAL STATEMENTS	16

DIRECTORS' REPORT

CORPORATE DIRECTORY

DIRECTORS

William Witham (Non-Executive Chair) – appointed 3 November 2021
Robert Hodby (Executive Director) – appointed 3 November 2021
Stephen Ross (Non-Executive Director) – appointed 3 November 2021
Lincoln Liu (Non-Executive Director) – appointed 3 December 2021

COMPANY SECRETARY

Jay Stephenson – appointed 3 November 2021

REGISTERED OFFICE and PRINCIPAL PLACE OF BUSINESS

283 Rokeby Road
SUBIACO WA 6008

AUDITORS

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

CONTACT INFORMATION

Tel: +61 412 474 180

DIRECTORS' REPORT

The directors of Pinnacle Minerals Limited (the **Company** or **Pinnacle**) submit herewith the financial report of the Company for the financial period ended 31 December 2021 (**period**). In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The Company was incorporated on 3 November 2021 and this is its first set of Financial Reports.

The names, appointment periods and particulars of the Company directors who held office during the period and, or, since incorporation are:

Director	Position	Date Appointed	Date Resigned
William Witham	Non-Executive Chair	3 November 2021	-
Robert Hodby	Executive Director	3 November 2021	-
Stephen Ross	Non-Executive Director	3 November 2021	-
Lincoln Liu	Non-Executive Director	3 December 2021	-

Company Secretary	Position	Date Appointed	Date Resigned
Jay Stephenson	Company Secretary	3 November 2021	-

Directors have been in office since 3 November up until the date of this report unless otherwise stated.

INFORMATION ON DIRECTORS

Information on Directors as at the date of this report is as follows:

MR WILLIAM WITHAM

NON-EXECUTIVE CHAIR

Mr Bill Witham has held senior executive roles in the resources industry across the Australian and African resources sector for over two decades and has worked and lived in Australia, Africa and South America. Mr Witham has been involved in a number ASX listed companies has further experience in member-based organisation leadership, including currently with the Australia-Africa Minerals & Energy Group (AAMEG - CEO), and previously with the Chamber of Minerals & Energy WA (Government Relations and Policy) and the National Party WA (Corporate Director).

The Board considers that Mr Witham is not an independent Director.

MR ROBERT HODBY

EXECUTIVE DIRECTOR

Robert holds a Bachelor of Commerce from Murdoch University and is a member of CPA Australia and the Governance Institute of Australia. Mr Hodby has over 20 years industry experience in financing and administration of public and listed companies gathered at both operational and corporate levels. During his time, he has held numerous executive and project management positions as well as CFO, Board and Company Secretarial roles with a number of companies involved in the resource and energy industries.

The Board considers that Mr Hodby is not an independent Director.

DIRECTORS' REPORT

MR STEPHEN ROSS

NON-EXECUTIVE DIRECTOR

Stephen Ross is a geologist, independent consultant and public company director that has been involved in the international minerals industry in technical, business development and corporate positions for 30 years. Stephen Ross has sourced significant investments for junior explorers and pre-development resource companies worldwide while holding managing director and technical positions when based in Central Asia, West Africa and Sri Lanka. Mr Ross is a member of the Australasian Institute of Mining and Metallurgy and is a Fellow of the Financial Services Institute of Australasia. Stephen is currently the Chair of PepinNini Minerals Limited.

The Board considers that Mr Ross is an independent Director.

MR LINCOLN LIU

NON-EXECUTIVE DIRECTOR

Lincoln Liu has worked in Australian equities including stockbroking, research and investment banking for over a decade. Mr Liu has experience in IPO's, Placements, Private Equity and M&A. His industry expertise includes resources and he has worked extensively with early stage companies. Mr Liu is a co-founder of a Sydney based Corporate advisory firm. He holds a Bachelor of Business and Commerce (Applied Finance) from UWS, Master of Commerce in Finance from UNSW & and a Master of Business Administration from USYD.

The Board considers that Mr Liu is an independent Director.

INFORMATION ON COMPANY SECRETARY

MR JAY STEPHENSON

COMPANY SECRETARY

Jay Stephenson has been involved in business development for over 30 years including approximately 24 years as director, chief financial officer and company secretary for various listed and unlisted entities in resources, manufacturing, information technology, wine, hotels and property. Mr Stephenson has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

Jay Stephenson provides Corporate Advisory, Company Administration, Accounting and Corporate Governance. On most engagements, Jay takes on the appointment of a statutory office holder, either as a Director, Company Secretary or Chief Financial Officer.

Jay Stephenson holds a Master of Business Administration, is a Fellow of Certified Practicing Accountants Australia, a Member of Chartered Accountants ANZ, A Fellow of the Governance Institute of Australia, a member of Chartered Professional Accountants and Certified Management Accountants in Canada.

DIRECTORS' REPORT

DIRECTOR MEETINGS

During the period, two director meetings were held and all directors attended the meetings they were eligible to attend.

DIRECTORS' SHAREHOLDINGS

At the date of this report the following table sets out the current directors' relevant interests in shares of Pinnacle Minerals Ltd:

	Current holding
Mr William Witham	200

REVIEW OF OPERATIONS

During the period the Company made a loss for the period after providing for income tax amounted to \$146,834.

SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company.

PRINCIPAL ACTIVITIES

On 3 December 2021, the Company entered into an Acquisition Agreement with Bulk Mineral Holdings Pty Ltd to acquire 100% of the issued shares in Bulk for a consideration of 6,000,000 Shares of Pinnacle at a deemed issue price of \$0.20 per share, subject to certain conditions, including successful listing on the ASX.

On 6 December 2021, the Company entered into an Acquisition Agreement with Witby Clays Pty Ltd to acquire 100% of the issued shares in Witby Clays for a consideration of 6,000,000 Shares of Pinnacle at a deemed issue price of \$0.20 per share, subject to certain conditions, including successful listing on the ASX.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 31 January 2022, the Company lodged a Prospectus with ASIC for an offer of up to 22,500,000 Shares at an issue price of \$0.20 per Share to raise up to \$4,500,000. Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000 may be accepted.

In March 2022, the Company successfully raised \$4,500,000 and is progressing towards listing on ASX.

There were no other events subsequent to the end of the reporting period.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company intends to complete the transaction to acquire 100% of its issued capital to Bulk Mineral Holdings Pty Ltd and Witby Clays Pty Ltd and list on the ASX.

Further information, other than as disclosed the Directors' Report, about likely developments in the operations of the Company and the expected results of those operations in future years has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration, as required under section 307C of the Corporations Act 2001 for the period ended 31 December 2021 has been received and can be found on page 8.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

For, and on behalf of, the Board of the Company,



William Witham

Director

Date. 09/03/2022

AUDITOR'S INDEPENDENCE DECLARATION PINNACLE MINERALS LIMITED

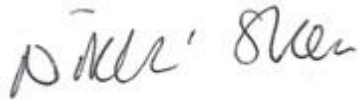
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Pinnacle Minerals Limited.

As lead audit partner for the review of the financial report of Pinnacle Minerals Limited for the period 3 November 2021 (date of incorporation) to 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.



Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682



Nikki Shen
Director

Dated 9 March 2022

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes are in accordance with the Corporations Act 2001:

- (a) Comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
- (b) As stated in Note 1.2, the financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the entity as at 31 December 2021 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Pinnacle Minerals will be able to pay its debts as and when they become due and payable subject to the continued financial support from its shareholders.

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

For, and on behalf of, the Board of the Company,



Mr William Witham

Director

Date. 09/03/2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PINNACLE MINERALS LIMITED

Report on the Financial Report

Conclusion

We have reviewed the accompanying financial report of Pinnacle Minerals Limited (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of the Company is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance for the period 3 November 2021 (date of incorporation) to 31 December 2021; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' responsibility 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2021 and its financial performance for the period 3 November 2021 (date of incorporation) to 31 December 2021; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682

Dated 9 March 2022

Nikki Shen

Nikki Shen
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 31 December 2021

	Note	3 November 2021 to 31 December 2021 \$
Income		-
Accounting and Audit		(13,093)
Consulting Fees		(36,478)
Director Fees		(36,000)
Legal Fees		(55,145)
Other		(6,119)
Loss before income tax expense		(146,835)
Income tax (benefit)/expense		-
Loss after tax from continuing operation		(146,835)
Other comprehensive income		-
Total comprehensive loss for the period		(146,835)

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	2021 \$
Current assets		
Cash and cash equivalents	3	273,124
Trade and other receivables	4	6,382
Other current assets	5	8,300
Total current assets		287,806
Total assets		287,806
Current liabilities		
Trade and other payables	6	152,621
Total current liabilities		152,621
Total liabilities		152,621
Net assets / (liabilities)		135,186
Equity		
Issued Capital	2	282,020
Retained profits/ (Accumulated losses)		(146,835)
Total equity		135,185

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

STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2021

	Issued Capital	Retained profits / Accumulated Losses	Total
	\$	\$	\$
Balance as at 3 November 2021 (date of incorporation)	-	-	-
Shares issues during the period	300,020	-	300,020
Capital raising costs during the period	(18,000)	-	(18,000)
Loss for the period	-	(146,835)	(146,835)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(146,835)	(146,835)
Balance as at 31 December 2021	282,020	(146,835)	135,185

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

STATEMENT OF CASH FLOWS

for the period ended 31 December 2021 June

	Note	3 November 2021 to 31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees		(8,876)
Cash receipts from other operating activities		-
Net cash used by operating activities		<u>(8,876)</u>
Cash flows from financing activities		
Shares issued		282,000
Net cash generated by investing activities		<u>282,000</u>
Net (decrease) / increase in cash and cash equivalents		<u>-</u>
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		<u>273,124</u>

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

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2021

GENERAL INFORMATION

Pinnacle Minerals Limited (**Pinnacle** or the “**Company**”) is a for-profit company limited by shares, domiciled and incorporated in Australia. The financial statements are presented in the Australian currency.

The nature of operations and principal activities of the Company are described in the Directors’ Report.

1. BASIS OF PREPARATION

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The Company is a proprietary company, incorporated and operating in Australia. The financial report is presented in Australian dollars.

The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

1.1. ADOPTION OF NEW AND REVISED STANDARDS

1.1.1. Changes in accounting policies on initial application of Accounting Standards

Standards and interpretations applicable to 31 December 2021

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company’s operations and effective for the current financial reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

Standards and interpretations on issue not yet effective and adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations issued but not yet effective and adopted on its business and, therefore, no further disclosures have been made in this regard.

1.2. STATEMENT OF COMPLIANCE

The financial report was authorised by the Board of Directors for issue on xx March 2022.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2021

1.3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.4. GOING CONCERN

The 31 December 2021 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Company incurred a loss for the half-year of \$146,835 and a net cash outflow from operating, investing, and financing activities of \$273,124.

As at 31 December 2021, the Company had working capital of \$135,185.

In March 2022, the Company successfully raised \$4,500,000 in a capital raise.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2021

2. ISSUED CAPITAL

	2021	
	No.	
Fully paid ordinary shares	<u>1,875,020</u>	
	2021	
	No.	\$
Balance at beginning of the period	-	-
Shares issued	1,875,200	300,020
Share issue costs	-	(18,000)
Balance at end of the period	<u>1,875,200</u>	<u>282,020</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity 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.

3. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	31 December
	2021
Cash and cash equivalents	<u>273,124</u>

4. TRADE AND OTHER RECEIVABLES

	31 December
	2021
Other receivables – GST Recoverable	<u>6,382</u>
	6,382

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2021

5. OTHER CURRENT ASSETS

	31 December 2021
Loans to companies to be acquired	8,300
	<u>8,300</u>

6. TRADE AND OTHER PAYABLES

	31 December 2021
Accounts payable	88,620
Accrued expense - Current	64,000
	<u>152,620</u>

7. COMMITMENTS AND CONTINGENT LIABILITIES

7.1 COMMITMENTS

No commitments exist as at the date of this report.

7.2 CONTINGENT ASSETS AND LIABILITIES

7.2.1 CONTINGENT LIABILITIES

No contingent liabilities exist as at the date of this report.

7.2.2 CONTINGENT ASSETS

No contingent assets exist as at the date of this report.

8. SUBSEQUENT EVENTS

On 31 January 2022, the Company lodged a Prospectus with ASIC for an offer of up to 22,500,000 Shares at an issue price of \$0.20 per Share to raise up to \$4,500,000. Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000 may be accepted.

In March 2022, the Company successfully raised \$4,500,000 and is progressing towards listing on ASX.

There were no other events subsequent to the end of the reporting period.